

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)				
Street Address		City	State	ZIP Code
Accountant Signature			Date	

GENOA TOWNSHIP

ANNUAL FINANCIAL
REPORT

FOR THE YEAR ENDED JUNE 30, 2005

GENOA TOWNSHIP

TOWNSHIP OFFICIALS

Supervisor - Gary McCririe
Clerk - Paulette Skolarus
Treasurer - Robin Hunt

BOARD OF TRUSTEES

Steve Wildman
Robin Hunt
James Mortensen
Jean Ledford
Gary McCririe
Paulette Skolarus
Todd Smith

MANAGER

Michael Archinal

TOWNSHIP ATTORNEY

Richard Heikkinen

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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September 15, 2005

Board of Trustees
Genoa Township
2911 Dorr Road
Brighton, Michigan 48116

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Genoa Township, as of and for the year ended June 30, 2005, which collectively comprise the Genoa Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Genoa Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Genoa Township, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Township has implemented a new financial reporting model as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of June 30, 2005.

The Management's Discussion and Analysis and other Required Supplementary Information on pages 10 through 15 and 50 through 51 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Genoa Township's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining and individual fund statements, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pfeffer, Hanniford & Palka, P.C.

MANAGEMENT DISCUSSION
AND
ANALYSIS

Management Discussion and Analysis June 30, 2005

Within this section of Genoa Township's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended June 30, 2005. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include water & sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has three kinds of funds:

Governmental funds are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

Proprietary funds are reported in the fund financial statements and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary funds are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Financial Analysis of the Township as a Whole

The Township's net assets at the end of the fiscal year were \$32,175,367. This is a \$907,426 increase over last year's net assets of 31,267,941.

The following tables provide a summary of the Township's financial activities and changes in net assets:

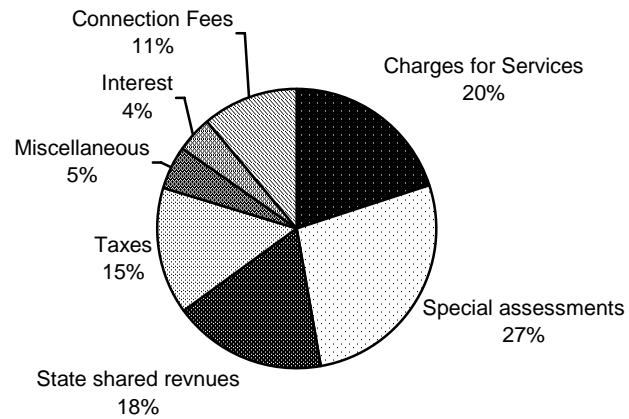
**Summary of Net Assets
UNDER GASB 34**

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 22,342,009	\$ 10,895,806	\$ 33,237,815
Capital assets	3,193,935	16,300,287	19,494,222
Total assets	<u>25,535,944</u>	<u>27,196,093</u>	<u>52,732,037</u>
Other liabilities	504,964	885,366	1,390,330
Long-term liabilities	11,618,040	7,548,300	19,166,340
Total liabilities	<u>12,123,004</u>	<u>8,433,666</u>	<u>20,556,670</u>
Net assets:			
Invested in capital assets, net of related debt	3,074,776	9,100,287	12,175,063
Unrestricted	10,338,164	9,662,140	20,000,304
Total net assets	<u>\$ 13,412,940</u>	<u>\$ 18,762,427</u>	<u>\$ 32,175,367</u>

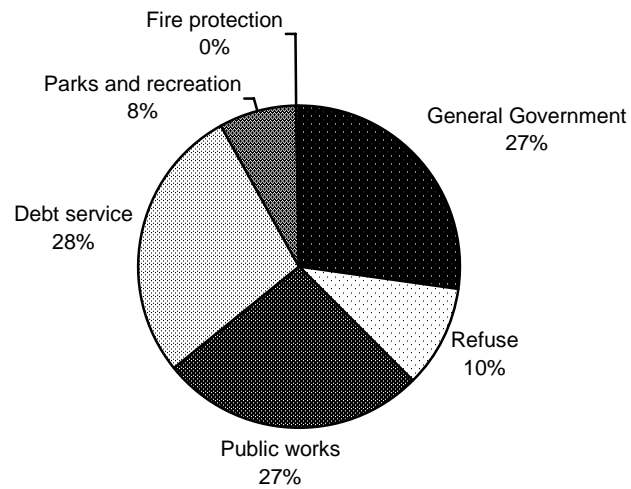
**Summary of Changes in Net Assets
UNDER GASB 34**

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues			
Charges for services	\$ 1,223,346	\$ 1,204,402	\$ 2,427,748
Operating grants and contributions	1,687,835		1,687,835
Capital grants and contributions		637,824	637,824
General revenues			
State shared revenues	1,079,254		1,079,254
Property taxes	906,487		906,487
Interest	723,687	396,322	1,120,009
Other	305,155		305,155
Total revenues	<u>5,925,764</u>	<u>2,238,548</u>	<u>8,164,312</u>
Expenses			
General government	1,985,069		1,985,069
Public safety	33,638		33,638
Parks and recreation	98,828		98,828
Public works	1,887,167		1,887,167
Refuse collection	727,416		727,416
Interest on long-term debt	544,595		544,595
Water and sewer systems		1,980,173	1,980,173
Total expenses	<u>5,276,713</u>	<u>1,980,173</u>	<u>7,256,886</u>
Changes in net assets	649,051	258,375	907,426
Beginning net assets	<u>12,763,889</u>	<u>18,504,052</u>	<u>31,267,941</u>
Ending net assets	<u><u>\$ 13,412,940</u></u>	<u><u>\$ 18,762,427</u></u>	<u><u>\$ 32,175,367</u></u>

Governmental Revenues Under Fund Accounting



Governmental Expenditures



The governmental funds made significant capital expenditures to expand the bike path through-out the Township. In addition, a vehicle was purchased to be used for ordinance enforcement. Total expenditures for capital purchases were \$488,224.

Revenues exceeded expenses in the governmental funds by \$649,051. Included in that amount was \$1,000,882 of special assessments levied during the year. Special assessments are income as they are levied, and not necessarily having the related expenses being recorded in the same fiscal year.

The business-type funds reported net income of \$258,375 as opposed to the prior year net loss of \$62,193. This is primarily due to additional connection fees in the current year. Connection fees were \$637,824 for the year ended June 30, 2005 as opposed to \$368,896 in the prior fiscal year.

Financial Analysis of the Township's Funds

The Township's General Fund had revenues over expenditures totaling \$433,541 before its net transfers out of \$260,270 were made. Thus, the Township's fund balance increased \$173,271 for the fiscal year ended June 30, 2005. There were substantial increases in both revenues and expenditures related to the administration portion of related utility systems.

The Township's two major business-type funds, Oak Pointe and Lake Edgewood, each had operating losses. This has been consistent with prior years' activities, but has had offsetting connection fees to counteract these losses.

General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal year in accordance with Public Act 493 of 2000. Total budgeted appropriations exceeded actual expenditures by \$203,998. Expenditures are budgeted by line item, and several of these line items exceeded budgeted appropriations. The budget was amended during the year to account for various utility administration activities.

Capital Asset and Debt Administration

The governmental funds of the Township constructed and purchased \$488,224 of new capital assets this year. This included \$465,979 of bike path construction costs and \$22,245 for an ordinance enforcement vehicle.

The construction project in the Oak Pointe Water and Sewer System Fund that was ongoing at the end of last fiscal year was completed during the current fiscal year. An additional \$70,982 was spent on that project to bring the total project cost to \$211,798. Also, the Oak Pointe Water and Sewer System Fund had new construction projects in progress at the end of the current fiscal year. The total spent to date on those projects through June 30, 2005 was \$355,352 and \$240,323 respectively.

Neither the governmental funds nor the business-type funds issued any new bonds during they year. Total principal repayments of existing bonds and contracts payable was \$1,440,888 and \$774,660 respectively for the year ended June 30, 2005.

Economic Conditions and Future Activities

The Township is anticipating a further drop in state revenue sharing for its general fund to continue into next year due to the declining economic environment. This reduction in revenue should be offset partially by an increasing tax base.

The Township is also continuing its expansion at the Oak Pointe and Lake Edgewood water and sewer plants. These projects are expected to be complete by the next fiscal year.

Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact Genoa Township at 2911 Dorr Road, Brighton, MI 48116.

BASIC
FINANCIAL
STATEMENTS

GOVERNMENT - WIDE
FINANCIAL
STATEMENTS

GENOA TOWNSHIP
STATEMENT OF NET ASSETS
JUNE 30, 2005

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 12,403,796	\$ 315,549	\$ 12,719,345
Cash and cash equivalents - restricted		4,194,932	4,194,932
Receivable			
Taxes	17,346		17,346
State shared revenues	349,399		349,399
Accounts	212,456	564,552	777,008
Special assessments - restricted	8,589,922	5,579,784	14,169,706
Contract - restricted		206,400	206,400
Prepaid expenditures	14,612		14,612
Due from other funds	754,478	34,589	789,067
Capital assets:			
Land	180,000	617,864	797,864
Buildings and improvements	3,251,278		3,251,278
Water and sewer systems		19,442,787	19,442,787
Machinery and equipment	293,861		293,861
Construction in progress		595,675	595,675
Less accumulated depreciation	<u>(531,204)</u>	<u>(4,356,039)</u>	<u>(4,887,243)</u>
Total assets	<u>25,535,944</u>	<u>27,196,093</u>	<u>52,732,037</u>
<u>LIABILITIES</u>			
LIABILITIES			
Accounts payable	107,882	129,651	237,533
Accrued liabilities	38,828		38,828
Due to other funds	30,960	755,715	786,675
Deferred revenues	327,294		327,294
Contracts payable	2,739,865	4,633,300	7,373,165
Bonds payable	<u>8,878,175</u>	<u>2,915,000</u>	<u>11,793,175</u>
Total liabilities	<u>12,123,004</u>	<u>8,433,666</u>	<u>20,556,670</u>
<u>NET ASSETS</u>			
NET ASSETS			
Invested in capital assets, net of related debt	3,074,776	9,100,287	12,175,063
Unrestricted	<u>10,338,164</u>	<u>9,662,140</u>	<u>20,000,304</u>
Total net assets	<u>\$ 13,412,940</u>	<u>\$ 18,762,427</u>	<u>\$ 32,175,367</u>

The notes are an integral part of the financial statements.

GENOA TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ (1,985,069)	\$ 698,037	\$	\$
Fire protection	(33,638)			
Parks and recreation	(98,828)			
Public works	(1,887,167)		1,687,835	
Refuse collection	(727,416)	525,309		
Interest on long-term debt	<u>(544,595)</u>	<u></u>	<u></u>	<u></u>
Total governmental activities	<u>(5,276,713)</u>	<u>1,223,346</u>	<u>1,687,835</u>	<u></u>
Business-type activities				
Water and sewer systems	<u>(1,980,173)</u>	<u>1,204,402</u>	<u></u>	<u>637,824</u>
Total	<u>\$ (7,256,886)</u>	<u>\$ 2,427,748</u>	<u>\$ 1,687,835</u>	<u>\$ 637,824</u>

General revenues
Property taxes
State shared revenues
Interest income
Franchise fees
Other income

Total general revenues

Changes in net assets

Net assets, July 1, 2004

Net assets, June 30, 2005

The notes are an integral part of the financial statements.

Net (Expenses) Revenue and Changes Net Assets		
Governmental Activities	Business- type Activities	Total
\$ (1,287,032)	\$	\$ (1,287,032)
(33,638)		(33,638)
(98,828)		(98,828)
(199,332)		(199,332)
(202,107)		(202,107)
<u>(544,595)</u>		<u>(544,595)</u>
<u>(2,365,532)</u>		<u>(2,365,532)</u>
	<u>(137,947)</u>	<u>(137,947)</u>
906,487		906,487
1,079,254		1,079,254
723,687	396,322	1,120,009
183,650		183,650
<u>121,505</u>		<u>121,505</u>
<u>3,014,583</u>	<u>396,322</u>	<u>3,410,905</u>
649,051	258,375	907,426
12,763,889	18,504,052	31,267,941
<u>\$ 13,412,940</u>	<u>\$ 18,762,427</u>	<u>\$ 32,175,367</u>

FUND
FINANCIAL
STATEMENTS

GENOA TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005

	<u>General</u>	<u>Genoa- Oceola Phase I Debt Service Fund</u>	<u>Genoa- Oceola Phase II Debt Service Fund</u>	<u>Grand River Water Debt Service Fund</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 1,183,766	\$ 319,642	\$ 619,394	\$ 92,795
Receivables				
Special assessments		883,294	1,175,567	1,019,426
Taxes	17,346			
State shared revenues	349,399			
Accounts	211,456			
Due from other funds	34,478			
Prepaid expenditures	<u>14,612</u>			
Total assets	<u>\$ 1,811,057</u>	<u>\$ 1,202,936</u>	<u>\$ 1,794,961</u>	<u>\$ 1,112,221</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 83,382	\$	\$	\$
Accrued wages and absences	38,470			
Due to others		358		
Due to other funds	30,960			
Deferred revenues	<u>327,294</u>	<u>883,294</u>	<u>1,175,567</u>	<u>1,019,426</u>
Total liabilities	<u>480,106</u>	<u>883,652</u>	<u>1,175,567</u>	<u>1,019,426</u>
Fund Balances				
Unreserved	1,330,951			
Designated				
Reserved for debt service		319,284	619,394	92,795
Reserved for utility systems				
Total fund balances	<u>1,330,951</u>	<u>319,284</u>	<u>619,394</u>	<u>92,795</u>
Total liabilities and fund balance	<u>\$ 1,811,057</u>	<u>\$ 1,202,936</u>	<u>\$ 1,794,961</u>	<u>\$ 1,112,221</u>

The notes are an integral part of the financial statements.

<u>Grand River Road Debt Service Fund</u>	<u>Lake Edgewood West Water Debt Service Fund</u>	<u>Grand River Water New User Capital Project Fund</u>	<u>Other Non-major Funds</u>	<u>Total</u>
\$ 68,183	\$ 202,936	\$ 1,149,449	\$ 8,767,631	\$ 12,403,796
908,280	2,316,751		2,286,604	8,589,922
				17,346
				349,399
			1,000	212,456
			720,000	754,478
				14,612
<u>\$ 976,463</u>	<u>\$ 2,519,687</u>	<u>\$ 1,149,449</u>	<u>\$ 11,775,235</u>	<u>\$ 22,342,009</u>
\$	\$	\$	\$ 24,500	\$ 107,882
				38,470
				358
				30,960
<u>908,280</u>	<u>2,316,751</u>	<u></u>	<u>2,286,604</u>	<u>8,917,216</u>
<u>908,280</u>	<u>2,316,751</u>	<u></u>	<u>2,311,104</u>	<u>9,094,886</u>
			2,526,932	3,857,883
68,183	202,936		3,522,421	4,825,013
		1,149,449	3,414,778	4,564,227
<u>68,183</u>	<u>202,936</u>	<u>1,149,449</u>	<u>9,464,131</u>	<u>13,247,123</u>
<u>\$ 976,463</u>	<u>\$ 2,519,687</u>	<u>\$ 1,149,449</u>	<u>\$ 11,775,235</u>	<u>\$ 22,342,009</u>

GENOA TOWNSHIP
RECONCILIATION OF STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
JUNE 30, 2005

Amounts reported for governmental activities in the Statement
of Net Assets are different because:

Total fund balance per balance sheet		\$ 13,247,123
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Historical cost	\$ 3,725,139	
Depreciation	<u>(531,204)</u>	
Capital assets net of depreciation		3,193,935
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Contracts payable	(2,739,865)	
Bonds payable	<u>(8,878,176)</u>	
Total		(11,618,041)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.		<u>8,589,923</u>
Net assets of governmental activities		<u>\$ 13,412,940</u>

The notes are an integral part of the financial statements

GENOA TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	<u>General</u>	<u>Genoa- Oceola Phase I Debt Service Fund</u>	<u>Genoa- Oceola Phase II Debt Service Fund</u>	<u>Grand River Water Debt Service Fund</u>
REVENUES				
Taxes	\$ 906,487	\$	\$	\$
Special assessments		326,101	232,303	177,449
State shared revenues	1,067,537			
Licenses and permits	33,274			
Connection fees				
Rental income	68,176			
Franchise fees	183,650			
Charges for services	1,223,346			
Interest	48,735	3,808	7,965	964
Miscellaneous	19,964			
Total revenues	<u>3,551,169</u>	<u>329,909</u>	<u>240,268</u>	<u>178,413</u>
EXPENDITURES				
General government	1,919,527			
Fire protection	9,997			
Refuse	727,416			
Parks and recreation	123,131			
Public works	58,584			
Debt service	278,973	384,781	283,936	128,162
Total expenditures	<u>3,117,628</u>	<u>384,781</u>	<u>283,936</u>	<u>128,162</u>
Excess of revenues over (under) expenditures	<u>433,541</u>	<u>(54,872)</u>	<u>(43,668)</u>	<u>50,251</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	39,730			
Transfers (out)	(300,000)			
Total other financing sources (uses)	<u>(260,270)</u>			
Excess of revenues over (under) expenditures and other financing sources (uses)	173,271	(54,872)	(43,668)	50,251
FUND BALANCE, JULY 1, 2004	<u>1,157,680</u>	<u>374,156</u>	<u>663,062</u>	<u>42,544</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 1,330,951</u>	<u>\$ 319,284</u>	<u>\$ 619,394</u>	<u>\$ 92,795</u>

The notes are an integral part of the financial statements.

<u>Grand River Road Debt Service Fund</u>	<u>Lake Edgewood West Water Debt Service Fund</u>	<u>Grand River Water New User Capital Project Fund</u>	<u>Other Non-major Funds</u>	<u>Total</u>
\$ 125,382	\$ 322,151	\$	\$	\$ 906,487
			483,392	1,666,778
			11,717	1,079,254
				33,274
		345,733	341,220	686,953
				68,176
				183,650
				1,223,346
495	1,745	22,223	157,909	243,844
91				20,055
<u>125,968</u>	<u>323,896</u>	<u>367,956</u>	<u>994,238</u>	<u>6,111,817</u>
			17,030	1,936,557
				9,997
				727,416
			433,734	556,865
		1,509,725	318,858	1,887,167
<u>138,465</u>	<u>323,748</u>	<u>447,418</u>	<u>447,418</u>	<u>1,985,483</u>
<u>138,465</u>	<u>323,748</u>	<u>1,509,725</u>	<u>1,217,040</u>	<u>7,103,485</u>
<u>(12,497)</u>	<u>148</u>	<u>(1,141,769)</u>	<u>(222,802)</u>	<u>(991,668)</u>
			302,105	341,835
			(41,835)	(341,835)
			260,270	
(12,497)	148	(1,141,769)	37,468	(991,668)
<u>80,680</u>	<u>202,788</u>	<u>2,291,218</u>	<u>9,426,663</u>	<u>14,238,791</u>
<u>\$ 68,183</u>	<u>\$ 202,936</u>	<u>\$ 1,149,449</u>	<u>\$ 9,464,131</u>	<u>\$ 13,247,123</u>

GENOA TOWNSHIP
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ (991,668)
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$ 488,224
Depreciation expense	<u>(102,340)</u>

Total	385,884
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Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Repayment of:	
Bonds payable	1,028,032
Contracts payable	<u>412,856</u>

Total	1,440,888
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Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities.

Special assessments levied	1,000,882
Principal collected on assessments	<u>(1,186,935)</u>

Total	<u>(186,053)</u>
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Change in net assets of governmental activities	<u>\$ 649,051</u>
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The notes are an integral part of the financial statements.

GENOA TOWNSHIP
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005

	<u>Major Funds</u>		<u>Other Non-major Fund</u>	
	<u>Oak Pointe Water and Sewer Systems Fund</u>	<u>Lake Edgewood Water and Sewer Systems Fund</u>	<u>Pine Creek Water and Sewer Systems Fund</u>	<u>Total</u>
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and cash equivalents	\$ 5,991	\$ 134,489	\$ 175,069	\$ 315,549
Accounts receivable	415,406	94,927	54,219	564,552
Due from other funds	18,544	13,942	2,103	34,589
Total current assets	439,941	243,358	231,391	914,690
RESTRICTED ASSETS				
Cash and cash equivalents	2,307,709	1,710,984	176,239	4,194,932
Special assessments	1,787,405	3,565,129	227,250	5,579,784
Contract receivable - City of Brighton		206,400		206,400
Total restricted assets	4,095,114	5,482,513	403,489	9,981,116
CAPITAL ASSETS				
Land	358,855	259,009		617,864
Water and sewer systems	11,979,838	7,462,949		19,442,787
Construction in progress	355,352	240,323		595,675
	12,694,045	7,962,281		20,656,326
Less accumulated depreciation	(3,248,354)	(1,107,685)		(4,356,039)
Capital assets, net	9,445,691	6,854,596		16,300,287
Total assets	13,980,746	12,580,467	634,880	27,196,093
<u>LIABILITIES</u>				
CURRENT LIABILITIES				
Accounts payable	\$ 48,910	\$ 30,120	\$ 50,621	\$ 129,651
Due to other funds	742,623	6,429	6,663	755,715
Total current liabilities	791,533	36,549	57,284	885,366
CURRENT LIABILITIES (FROM RESTRICTED ASSETS)				
Contracts payable, current portion		295,000	69,660	364,660
Bonds payable, current portion	295,000	130,000		425,000
Total current liabilities (from restricted assets)	295,000	425,000	69,660	789,660
LONG-TERM LIABILITIES (FROM RESTRICTED ASSETS)				
Contracts payable		3,990,000	278,640	4,268,640
Bonds payable	1,860,000	630,000		2,490,000
Total long-term liabilities (from restricted assets)	1,860,000	4,620,000	278,640	6,758,640
Total liabilities	2,946,533	5,081,549	405,584	8,433,666
<u>NET ASSETS</u>				
NET ASSETS				
Invested in capital assets, net of related debt	7,290,691	1,809,596		9,100,287
Unrestricted	3,743,522	5,689,322	229,296	9,662,140
Total net assets	\$ 11,034,213	\$ 7,498,918	\$ 229,296	\$ 18,762,427

The notes are an integral part of the financial statements.

GENOA TOWNSHIP
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	Major Funds		Other Non-major Fund	
	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Total
OPERATING REVENUES				
User charges	\$ 672,440	\$ 314,185	\$ 217,777	\$ 1,204,402
OPERATING EXPENSES				
Water and sewer usage		69,624	196,824	266,448
Repairs, maintenance and supplies	110,322	8,932	536	119,790
Contracted labor	235,252	105,693		340,945
Out of scope - contract labor	3,715	1,702		5,417
Utilities and telephone	90,814	57,100		147,914
Administration	38,596	11,351	14,387	64,334
Professional fees	15,915	4,759	1,050	21,724
Groundwater exceedence	20,167	33,732		53,899
Insurance	11,581	5,018		16,599
Depreciation	287,357	150,483		437,840
Meter reading	18,993	3,218	6,663	28,874
Sewer back-up settlement	37,625			37,625
Sludge disposal	45,262	7,735		52,997
Total operating expenses	915,599	459,347	219,460	1,594,406
Operating income (loss)	(243,159)	(145,162)	(1,683)	(390,004)
NON-OPERATING REVENUES AND (EXPENSES)				
Connection fees	49,144	588,680		637,824
Interest income - special assessments	81,121	282,427	2,823	366,371
Interest income - reserved accounts	26,090			26,090
Interest income - general	1,590	909	1,362	3,861
Interest expense - bonds	(69,967)	(304,029)		(373,996)
Other revenue (expense), net	5,060	10,324	5,215	20,599
Special assessment chargeback		(32,370)		(32,370)
Total non-operating revenues and (expenses)	93,038	545,941	9,400	648,379
Net income (loss)	(150,121)	400,779	7,717	258,375
NET ASSETS JULY 1, 2004	11,184,334	7,098,139	221,579	18,504,052
NET ASSETS JUNE 30, 2005	\$ 11,034,213	\$ 7,498,918	\$ 229,296	\$ 18,762,427

The notes are an integral part of the financial statements.

GENOA TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	Major Funds		Other Non-major Fund	
	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Total
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Receipts from customers	\$ 627,600	\$ 340,744	\$ 221,801	\$ 1,190,145
Payments to vendors	(607,836)	(331,636)	(243,824)	(1,183,296)
Net cash from operating activities	19,764	9,108	(22,023)	6,849
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES				
Connection fees	49,144	366,480		415,624
Repayment of principal on bonds	(290,000)	(415,000)		(705,000)
Special assessment collections	283,452	335,483	66,716	685,651
Collections City of Brighton - contract receivable		17,200		17,200
Payment on City of Brighton - contract payable			(69,660)	(69,660)
Interest received from special assessments and reserved accounts	107,211	282,427	2,823	392,461
Interest paid on bonds	(69,967)	(304,029)		(373,996)
Other income		10,324	5,215	15,539
Net loans with other funds		(8,443)	4,207	(4,236)
Additions to systems		(32,823)		(32,823)
Net cash (used in) capital and related financing activities	79,840	251,619	9,301	340,760
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES				
Interest received from operating	1,590	909	1,362	3,861
Other revenue (expense), net	5,060			5,060
Proceeds from investments	58,140			58,140
Additions to system	(426,334)			(426,334)
Investments in Brownsfield Authority	(179,319)			(179,319)
Loans to other funds	(14,085)			(14,085)
Loans from other funds	722,099			722,099
Net cash from (used in) investing activities	167,151	909	1,362	169,422
Net increase in cash and cash equivalents	266,755	261,636	(11,360)	517,031
CASH AND CASH EQUIVALENTS AT JULY 1, 2004	2,046,945	1,583,837	362,668	3,993,450
CASH AND CASH EQUIVALENTS AT JUNE 30, 2005	\$ 2,313,700	\$ 1,845,473	\$ 351,308	\$ 4,510,481
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ (243,159)	\$ (145,162)	\$ (1,683)	\$ (390,004)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities				
Depreciation expense	287,357	150,483		437,840
Special assessment chargeback		(32,370)		(32,370)
Changes in assets and liabilities				
Receivables, net	(44,840)	26,559	4,024	(14,257)
Accounts and other payables	20,406	9,598	(24,364)	5,640
Net cash from operating activities	\$ 19,764	\$ 9,108	\$ (22,023)	\$ 6,849

The notes are an integral part of the financial statements.

NOTES
TO
THE
FINANCIAL
STATEMENTS

GENOA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Township relating to the funds and account groups included in the accompanying combined financial statements conform to generally accepted accounting principles applicable to state and local governments. The more significant accounting policies of the Township are described below.

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations or other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

GENOA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Government-Wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

Also, part of the basic financial statements are fund financial statements for governmental funds and proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds, are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Genoa-Oceola Phase I, Genoa-Oceola Phase II, Grand River Road, Grand River Water, and the Lake Edgewood West Water Debt Service Funds are all major governmental funds. These funds account for the collection of special assessments and payment of debt service for the debt issued to finance various utility system and road projects of the Township.

The Grand River Water New User Fund accounts for the collection of utility connection fees and operating contributions to area utility authorities.

The Township reports the following major enterprise funds.

Oak Pointe Water and Sewer System Fund accounts for the activity associated with operating the utility system at the Oak Pointe development.

The Lake Edgewood Water and Sewer Fund accounts for the activities associated with operating the utility system at the Lake Edgewood development.

GENOA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues, charges for services, fines, forfeits and penalties, and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

GENOA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The proprietary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary funds financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds are eliminated in the consolidation for the government-wide financial statements, but are included in the fund columns in the proprietary funds financial statements.

Enterprise funds account for operations where the intent of the Township is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for any activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges of the activity, or 3) it is the policy of the Township to establish activity fees or charges to recover the cost of providing services, including capital costs.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Township has elected for proprietary funds not to apply Financial Accounting Standards Board statements issued after November 30, 1989.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs. The Township currently maintains an agency fund to account for the monies collected and paid on behalf of developer's escrow accounts.

GENOA TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Real property are considered capital assets regardless of initial cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	5 to 50 years
Utility plant	5 to 50 years
Machinery and equipment	2 to 40 years
Infrastructure	25 to 50 years

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

D. ACCRUED COMPENSATED ABSENCES

The Township has recorded a liability for compensated absences of its employees. The policies regarding compensated absences are outlined in the Township's "Rules of Employment".

E. BUDGETARY DATA

The board of trustees follow the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The supervisor prepares the annual budgets through information received by the clerk. The proposed budget is then submitted for discussion and approved by the entire Township board. The budget is approved by activity rather than line item. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made to and approved by the Township board at any of their regular meetings. Budget appropriations made, but not expended by year end, will lapse with the fiscal year end.

For the year ended June 30, 2005, expenditures exceeded appropriations in several line items.

GENOA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. PROPERTY TAXES

The Township's property taxes are levied and become a lien on December 1st based on the taxable valuation of property located in the Township as of the preceding December 31st. These taxes are due on February 14th, with the final collection date of February 28th before they are added to the county delinquent tax rolls.

For the year ended June 30, 2005, the Township recognized the property taxes levied December 1, 2004 as revenue.

Taxable Value:	\$ 974,801,202
Township Millage Rate:	.8200

Michigan personal property tax assessments have been based, since the 1960's, on the use of one or more of several different multiplier tables formulated by the State Tax Commission against taxpayer reported original cost, depending on the assessor's view of the average life of the personal property. The State Tax Commission has indicated that it plans to reformulate the multipliers. The State Tax Tribunal has informally indicated that once the new multipliers are approved, it may allow them to be applied retroactively in pending personal property tax appeals.

G. INVESTMENTS

Investments are stated at lower of cost or market.

H. CASH EQUIVALENTS

For purposes of the statement of cash flows, demand deposits and short-term investments with a maturity date of three months or less when acquired are considered to be cash equivalents.

I. INCOME TAXES

As a governmental agency, the Township is exempt from both federal income taxes and Michigan Single Business Tax.

GENOA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of Genoa Township as the primary government have been included in the financial statements.

The following potential component units have been evaluated under the criteria established by GASB statement number 39 and determined not to be component units based on financial independence and accountability.

1. Genoa-Oceola Sewer and Water Authority - Genoa Township appoints two members of the authority's four member board. The authority is fiscally independent from the township. The authority is audited as an independent entity in compliance with Public Act 2.
2. South Eastern Livingston County Recreation Authority - (SELCRA) - SELCRA is an interlocal agreement which includes the City of Brighton, Brighton Area Schools, Genoa Township and Brighton Township. SELCRA is a component unit of Brighton Area Schools and is included as part of its reporting entity.
3. Brighton Area District Library - This unit is an interlocal agreement between Brighton Township, City of Brighton and Genoa Township. A separate audit is conducted for this unit.
4. Southeast Michigan Council of Governments (SEMCOG) - SEMCOG is a regional organization of governments located in Livingston, Macomb and Monroe Counties. A separate audit is conducted for this unit.
5. Marion, Howell, Oceola, Genoa Sewer and Water Authority (MHOG) - Genoa Township appoints two members of the Authority's eight member board. The authority is fiscally independent from the township. The Authority is audited as an independent entity in compliance with Public Act 2.
6. Brighton Area Fire Authority - Genoa Township appoints two members of the Authority's eight member board. The Authority was incorporated July 1, 2000 and is audited as an independent entity in compliance with Public Act 2.
7. Howell Area Fire Authority - Genoa Township appoints one member of the Authority's six member board. The Authority was incorporated January 1, 2002 and is audited as an independent entity in compliance with Public Act 2.

GENOA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The township maintains a \$200 imprest petty cash fund.

The township board has designated nine banks for the deposit of township funds. The investment policy adopted by the board is in accordance with Act 196 PA 1997.

The township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the township's cash deposits are as follows:

<u>Deposits</u>	<u>Fiduciary Funds</u>	<u>Primary Government</u>	<u>Total</u>	<u>Bank/Broker Balance</u>
Insured (FDIC)	\$	\$ 636,449	\$ 636,449	\$ 636,449
Uninsured and uncollateralized	<u>255,586</u>	<u>16,277,828</u>	<u>16,533,414</u>	<u>16,992,085</u>
Total deposits	<u>\$ 255,586</u>	<u>\$ 16,914,277</u>	<u>\$ 17,169,863</u>	<u>\$ 17,628,534</u>

GENOA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the governmental funds for the year ended June 30, 2005 was as follows:

	Balance 7/01/04	Additions	Deletions	Balance 6/30/05
Land	\$ 180,000	\$	\$	\$ 180,000
Buildings and improvements	2,785,299	465,979		3,251,278
Machinery and equipment	<u>271,616</u>	<u>22,245</u>		<u>293,861</u>
Total capital assets	3,236,915	488,244		3,725,139
Accumulated depreciation	<u>(428,864)</u>	<u>(102,340)</u>		<u>(531,204)</u>
Governmental activities capital asset, net	<u>\$ 2,808,051</u>	<u>\$ 385,884</u>	<u>\$</u>	<u>\$ 3,193,935</u>

Depreciation expense is being recorded in the government-wide statement of activities based upon the fund and activity utilizing the assets. The Township utilizes that straight line method to depreciate capital assets over their estimated useful lives. Depreciation expense was allocated to the following activities:

General government	\$ 70,757
Fire protection	23,641
Parks and recreation	<u>7,942</u>
	<u>\$ 102,340</u>
Net book value at June 30, 2005	\$ 3,193,935
Contract payable - fire station	<u>(119,159)</u>
Investment in capital asset, net of related debt	<u>\$ 3,074,776</u>

GENOA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 4 - CAPITAL ASSETS - continued

A summary of proprietary fund type property and equipment as of June 30, 2005, is as follows:

OAK POINT WATER AND SEWER SYSTEMS				
	Balance 7/01/04	Additions	Deletions	Balance 6/30/05
Land	\$ 358,855	\$	\$	\$ 358,855
Water system	3,122,821	120,895		3,243,716
Sewer system	<u>8,645,219</u>	<u>90,903</u>		<u>8,736,122</u>
	12,126,895	211,798		12,338,693
Less accumulated depreciation	<u>(2,960,997)</u>	<u>(287,357)</u>		<u>(3,248,354)</u>
Total	<u>\$ 9,165,898</u>	<u>\$ (75,559)</u>	<u>\$</u>	<u>\$ 9,090,339</u>
Construction in Progress	<u>\$ 140,816</u>	<u>\$ 355,352</u>	<u>\$ 140,816</u>	<u>\$ 355,352</u>

LAKE EDGEWOOD SEWER SYSTEM				
	Balance 7/01/04	Additions	Deletions	Balance 6/30/05
Land	\$ 259,009	\$	\$	\$ 259,009
Sewer system	<u>7,448,249</u>	<u>14,700</u>		<u>7,462,949</u>
	7,707,258	14,700		7,721,958
Less accumulated depreciation	<u>(957,202)</u>	<u>(150,483)</u>		<u>(1,107,685)</u>
Total	<u>\$ 6,750,056</u>	<u>\$ (135,783)</u>	<u>\$</u>	<u>\$ 6,614,273</u>
Construction in progress	<u>\$</u>	<u>\$ 240,323</u>	<u>\$</u>	<u>\$ 240,323</u>

TOTAL ALL ENTERPRISE FUNDS				
	Balance 7/01/04	Additions	Deletions	Balance 6/30/05
Land	\$ 617,864	\$	\$	\$ 617,864
Water and sewer systems	<u>19,216,289</u>	<u>226,498</u>		<u>19,442,787</u>
	19,834,153	226,498		20,060,651
Less accumulated depreciation	<u>(3,918,199)</u>	<u>(437,840)</u>		<u>(4,356,039)</u>
Total	<u>\$ 15,915,954</u>	<u>\$ (211,342)</u>	<u>\$</u>	<u>\$ 15,704,612</u>
Construction in progress	<u>\$ 140,816</u>	<u>\$ 595,675</u>	<u>\$ 140,816</u>	<u>\$ 595,675</u>

GENOA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - LONG-TERM DEBT

The following is a summary of the township's debt categorized for governmental and proprietary funds for the year ended June 30, 2005:

Governmental Fund Long-Term Debt - Contracts Payable

1. Payable to Livingston County Department of Public Works, Joint Water Treatment Plant construction; contract with Marion, Howell and Oceola Townships; principal is payable in annual installments of \$80,000 to \$113,750 starting June 1, 2003 to 2016, interest at 2.8% to 3.5% payable semi-annually.
2. Payable to First National Bank of Howell, new township hall, payable in quarterly installments of \$45,572 principal and interest, interest at 5.082% per annum, maturity date is October 4, 2008; loan is unsecured with the full faith and credit of the township.
3. Payable to Genoa-Oceola SWATH - Sewer plant expansion; contract with Genoa-Oceola SWATH, (paid from new user funds); principal is payable in annual installments of \$56,304 to \$140,000; interest at 4% to 4.8%; maturity date is June 1, 2021.
4. Payable to First National Bank of Howell, new fire station, payable in monthly installments of \$13,475 principal and interest, interest at 2.870% per annum, maturity date is June 1, 2008; loan is unsecured with the full faith and credit of the township.

Total governmental fund long-term debt - contracts payable

<u>Balance 7/01/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/05</u>	<u>Current Portion</u>
\$ 1,128,750	\$	\$ 80,000	\$ 1,048,750	\$ 80,000
127,284		127,284		
1,634,366		62,410	1,571,956	65,435
<u>262,321</u>	<u></u>	<u>143,162</u>	<u>119,159</u>	<u>119,159</u>
<u>\$ 3,152,721</u>	<u>\$</u>	<u>\$ 412,856</u>	<u>\$ 2,739,865</u>	<u>\$ 264,254</u>

GENOA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - LONG-TERM DEBT - continued

Governmental Fund Long-Term Debt - Bonds Payable

1. Payable to Livingston County Drain Commission, Genoa-Oceola Sewer Drain No. 1, Drainage District Special Assessment Bonds, Series 1991, (Phase II), payable in annual installments of \$60,088 to \$246,675 through 2011, dated June 27, 1991, interest at 2.0% (Genoa Township's portion 63.25%).
2. Payable to Livingston County Drain Commission, Genoa-Oceola Sanitary Sewer Drain No. 1, Drainage District Refunding Bonds. Series 1998, principal payable in annual installments of 395,000 to \$410,000 starting May 1, 2002 through 2009, interest is charged at 4.2% to 4.25% payable semi-annually.
3. Payable to Michigan Municipal Bond Authority, Grand Oaks Industrial Park Water System Improvement Project, Special assessment bonds, dated December 9, 1998, payable in annual installments of \$25,000 and \$30,000 through 2018, interest is charged at 3.65% to 5% semi-annually.
4. Payable to Michigan Municipal Bond Authority, Grand River Road Improvement Project, special assessment bonds, dated June 23, 2003, payable in annual installments of \$75,000 and \$80,000 through 2019 interest is charged at 4.60% to 6.35% semi-annually.
5. Payable to National City Bank, special assessment bonds, Series 2000, (Lake Edgewood West Water Expansion), payable in annual installments of \$35,000 to \$170,000 through 2020, interest varying from 5.6% to 5.65%.
6. Payable to Fifth Third Bank, special assessment bonds, Series 2001; Dorr Road Water and Sewer Improvement Project; Genoa - Oceola Sanitary Sewer; dated October 1, 2001, payable in annual installments of \$40,000 and \$45,000 through November 1, 2021, interest varying from 4% to 5%.
7. Payable to Michigan Municipal Bond Authority, Tri-Lakes Road improvement project, refunding bonds (local project bonds), dated May 13, 2005, Series 2005, payable in annual installments of \$50,000 to \$60,000 through 2013, interest varying from 2.0% to 4.0%.
8. Payable to Michigan Municipal Bond Authority, Grand River Water improvement project, refunding bond (local project bonds) dated May 13, 2005, Series 2005, payable in annual installments of \$100,000 to \$115,000 through 2014, interest varying from 2.0% to 4.0%.

Total governmental fund long-term debt - bonds payable

Total governmental fund long-term debt

<u>Balance 7/01/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/05</u>	<u>Current Portion</u>
\$ 1,837,412	\$	\$ 246,674	\$ 1,590,738	\$ 253,000
1,593,795		316,358	1,277,437	316,356
375,000		25,000	350,000	25,000
1,135,000		80,000	1,055,000	80,000
2,720,000		170,000	2,550,000	170,000
690,000		40,000	650,000	40,000
490,000		50,000	440,000	55,000
<u>1,065,000</u>	<u></u>	<u>100,000</u>	<u>965,000</u>	<u>100,000</u>
<u>\$ 9,906,207</u>	<u>\$</u>	<u>\$ 1,028,032</u>	<u>\$ 8,878,175</u>	<u>\$ 1,039,356</u>
<u>\$ 13,058,928</u>	<u>\$</u>	<u>\$ 1,440,888</u>	<u>\$ 11,618,040</u>	<u>\$ 1,303,610</u>

GENOA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - LONG-TERM DEBT - continued

Proprietary Long-Term Debt - Contracts Payable

1. Payable to City of Brighton, wastewater treatment and water service contract for Pine Creek subdivision, payable in annual installments of \$69,660 principal only on December 4 through 2009.
2. Payable to Livingston County Department of Public Works, Lake Edgewood Water Expansion, principal is payable in annual installments of \$25,000 to \$30,000 through May 1, 2017, interest is charged at 4.3% to 5.4% payable semi-annually.
3. Payable to Livingston County Department of Public Works, Lake Edgewood West Sewer Expansion, principal is payable in annual installments of \$110,000 to \$265,000 through May 1, 2020, interest is charged at 5.0% to 5.75% payable semi-annually.

Total proprietary long-term debt - contracts payable

Proprietary Long-Term Debt - Bonds Payable

1. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1988, Homestead Road Sewer Project (Oak Pointe Water and Sewer Systems), payable in annual installments of \$10,000 to \$45,000 through 2007, interest varying from 2.15% to 2.55%.
2. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1989, (Lake Edgewood Water and Sewer Systems-Phase I), payable in annual installments of \$5,000 to \$125,000 through 2009, interest varying from 2.15% to 2.55%.
3. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1991, Tri-Lakes Area Sewer Project (Oak Pointe Water and Sewer Systems), payable in annual installments of \$120,000 to \$155,000 through 2011, interest at 2.0%.
4. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1992, (Lake Edgewood Water and Sewer Systems-Phase II), payable in annual installments of \$5,000 to \$25,000 through 2012, interest varying from 3.3% to 6.65%.
5. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1993, (Lake Edgewood Water and Sewer Systems-Phase III), payable in annual installments of \$9,000 to \$25,000 through 2013 interest varying from 3.5% to 7.5%.
6. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1995, (Northeast Tri-Lakes Sewer System), payable in annual installments of \$20,000 to \$40,000 through 2015, interest varying from 5.0% to 6%.
7. Payable to Michigan Municipal Bond Authority refunding bond, special assessment bonds, Series 2005, (Oak Pointe Water Improvement System), payable in annual installments of \$60,000 to \$75,000 through 2014, interest varying from 2% to 4%.

Total proprietary long-term debt - bonds payable

Total proprietary long-term debt

Total township debt

<u>Balance 7/01/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/05</u>	<u>Current Portion</u>
\$ 417,960	\$	\$ 69,660	\$ 348,300	\$ 69,660
335,000		25,000	310,000	30,000
<u>4,240,000</u>	<u></u>	<u>265,000</u>	<u>3,975,000</u>	<u>265,000</u>
<u>\$ 4,992,960</u>	<u>\$</u>	<u>\$ 359,660</u>	<u>\$ 4,633,300</u>	<u>\$ 364,660</u>
\$ 130,000	\$	\$ 40,000	\$ 90,000	\$ 45,000
545,000		95,000	450,000	100,000
1,240,000		155,000	1,085,000	155,000
165,000		15,000	150,000	15,000
175,000		15,000	160,000	15,000
400,000		35,000	365,000	35,000
<u>675,000</u>	<u></u>	<u>60,000</u>	<u>615,000</u>	<u>60,000</u>
<u>3,330,000</u>	<u></u>	<u>415,000</u>	<u>2,915,000</u>	<u>425,000</u>
<u>\$ 8,322,960</u>	<u>\$</u>	<u>\$ 774,660</u>	<u>\$ 7,548,300</u>	<u>\$ 789,660</u>
<u>\$ 21,381,888</u>	<u>\$</u>	<u>\$ 2,215,548</u>	<u>\$ 19,166,340</u>	<u>\$ 2,093,270</u>

GENOA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - LONG-TERM DEBT - continued

The following is a schedule of principal and interest payments to service the long-term debt of the township:

	<u>Contracts Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2005-2006	\$ 629,254	\$ 360,060
2006-2007	508,138	338,147
2007-2008	512,703	314,183
2008-2009	520,747	290,953
2009-2010	525,312	267,600
2010-2015	2,442,174	975,179
2015-2020	2,094,837	359,094
2020-2025	<u>140,000</u>	<u>6,720</u>
Total	<u>\$ 7,373,165</u>	<u>\$ 2,911,936</u>

	<u>Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2005-2006	\$ 1,464,356	\$ 424,968
2006-2007	1,487,519	373,966
2007-2008	1,458,841	337,564
2008-2009	1,487,183	291,835
2009-2010	1,056,975	254,626
2010-2015	3,353,302	750,761
2015-2020	1,439,999	237,665
2020-2025	<u>45,000</u>	<u>2,250</u>
Total	<u>\$ 11,793,175</u>	<u>\$ 2,673,635</u>

	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>
2005-2006	\$ 2,093,610	\$ 785,028
2006-2007	1,995,657	712,113
2007-2008	1,971,544	651,747
2008-2009	2,007,930	582,788
2009-2010	1,582,287	522,226
2010-2015	5,795,476	1,725,940
2015-2020	3,534,836	596,759
2020-2025	<u>185,000</u>	<u>8,970</u>
Total	<u>\$ 19,166,340</u>	<u>\$ 5,585,571</u>

GENOA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables exist at June 30, 2005. These represent short-term borrowings and amounts owed for reimbursements between other funds. The total interfund receivable and payable at June 30, 2005 is \$789,067.

NOTE 7 - SEGMENT INFORMATION - ENTERPRISE FUNDS

Selected financial information with respect to the three enterprise funds maintained by the township for water and sewer service is as follows:

	<u>Oak Pointe</u>	<u>Lake Edgewood</u>	<u>Pine Creek</u>	<u>Total</u>
Operating revenues	\$ 672,440	\$ 314,185	\$ 217,777	\$ 1,204,402
Depreciation	287,357	150,483		437,840
Operating income (loss)	(243,159)	(145,162)	(1,683)	(390,004)
Net working capital	(351,592)	206,809	174,107	29,324
Total assets	13,980,746	12,580,467	634,880	27,196,093
Retained earnings	11,034,213	7,498,918	229,296	18,762,427

NOTE 8 - STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

Pursuant to the Governmental Accounting Standards Board (GASB) statement number 9, a statement of cash flows is presented. The purpose of the statement of cash flows is to explain the change in cash and cash equivalents during the year.

The direct method was utilized to present cash flows from operations. The following is a summary of beginning and ending cash and cash equivalents:

	<u>7/01/04</u>	<u>6/30/05</u>
Current assets		
Cash and cash equivalents	<u>\$ 322,488</u>	<u>\$ 315,549</u>
Restricted assets		
Cash and cash equivalents	<u>\$ 3,670,962</u>	<u>\$ 4,194,932</u>

GENOA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 9 - PENSION PLAN (DEFINED CONTRIBUTION PLAN)

The Township of Genoa has adopted the Principal Financial Group Money Purchase Pension Plan, a defined contribution plan with an effective date of July 1, 1991. The township is making contributions to the plan on behalf of all eligible employees. Eligible employees are employees who have been employed for one whole year with a minimum of 1,000 hours of service. The township's payroll for employees covered by the plan for the year ended June 30, 2005 was \$674,021, the township's total payroll was \$716,253.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participants account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participants account. Contributions, required solely by the township vest 100% in the initial year of vesting service. An employee who leaves the employment of the township for reasons other than death, total disability or normal retirement is entitled to the township's contributions if vesting requirements are satisfied. The township is required to contribute an amount equal to 10% of the employee's annual compensation.

Total covered payroll	\$	674,021
Total contributions	\$	67,402
Contributions as a % of covered payroll		10.00%

NOTE 10 - PENSION PLAN (DEFINED BENEFIT PLAN)

The Township of Genoa participates in the Michigan Municipal Employees Retirement System (MERS) which is an agent multiple-employer, state-wide, defined public employee retirement plan created under Public Act 135 of 1945 and now operates under Public Act 220 of 1996. MERS was established by the State of Michigan for purposes of providing retirement, survivor and disability benefits on a voluntary basis to the State's local government employees. Under Public Act 220, MERS became an independent public non-profit corporation independent from State government. The effective date of independence was August 15, 1996, at which time MERS ceased to be a part of the State of Michigan, Department of Management and Budget. The Township has no fiduciary responsibility for the plan. Only the Township Manager is eligible to participate in the plan with a total covered payroll of \$75,004. Total contributions made for the year ended June 31, 2005 totaled \$3,645.

GENOA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 10 – PENSION PLAN (DEFINED BENEFIT PLAN) - continued

At December 31, 2004, the unfunded pension benefit obligation was \$2,925, determined as follows:

Pension benefit obligation	\$ 0
Retirees and beneficiaries currently receiving benefits	0
Terminated employees not yet receiving benefits	
Current employees	
Accumulated employee contribution, including allocated investment income	1,669
Employer financed	<u>17,335</u>
 Total pension benefit obligation	 19,004
 Net assets available for benefits, at cost (at market \$15,695)	 <u>16,079</u>
 Actuarial accrued liability	 <u><u>\$ 2,925</u></u>
 Fiscal Year Beginning	 July 1, 2006
 Annual Required Contribution	 \$ 6,132
 Amortization Factor Used – Under funded Liabilities (30 years)	 0.053632
 Amortization Factor Used – Over funded Liabilities (10 years)	 0.119963

NOTE 11 - MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 12 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

GENOA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 13 - CONTINGENT LIABILITIES

A. Wastewater Treatment System - Lake Edgewood

The Township entered into a Consent Order with the Michigan Department of Environmental Quality (MDEQ) to complete an investigation of the sodium and chloride plume leaving the Wastewater Treatment Plant (WWTP) and to evaluate remedial measures. The Consent Order requires a discharge from the plant's effluent of 150 mg/l for sodium and 250 mg/l for chlorides.

Much effort was completed to educate the general public, housing developers, condominium owners, and local water softener distributors about the Township's sewer use ordinance that requires use of potassium chloride for water softener regenerate in lieu of sodium chloride salts, and for the disconnection of the water softener from the sanitary sewers. The plant was brought into compliance for both sodium and chloride by the December 31, 2002, consent order deadline.

An investigation of the contaminated groundwater plume was completed and the remedial investigation report was submitted to the MDEQ in October 2002. The plume extends approximately ¼ mile southeast of the WWTP and discharges into Brighton Township to Woodland Lake. The MDEQ approved the remedial investigation report in February 2005, with conditions. A June 2005 groundwater sampling event documented groundwater sodium and chloride concentrations to be below the applicable criteria. The Township is currently investigating possible elevated iron and magnesium concentrations at the WWTP site.

In the year ending June 30, 2005, the Township spent approximately \$33,732 to complete collection system sampling, groundwater sampling and investigation of background iron and manganese concentration. The amount of additional costs for July 1, 2005, through June 30, 2006 is estimated to be \$25,000. This cost includes conducting groundwater monitoring activities and preparing an Interim Response Activities Designed to meet Criteria Report (IRDC).

B. Wastewater Treatment System - Oak Pointe

The Township entered into a Consent Order with the Michigan Department of Environmental Quality (MDEQ) to complete an investigation of the sodium and chloride plume leaving the Wastewater Treatment Plant (WWTP) and to evaluate remedial measures. The Consent Order requires a discharge from the plant's effluent of 150 mg/l for sodium and 250 mg/l for chlorides.

Much effort was completed to educate the general public, housing developers, condominium owners, and local water softener distributors about the Township's sewer use ordinance that requires use of potassium chloride for water softener regenerate in lieu of sodium chloride salts, and for the disconnection of the water softeners from the sanitary sewers. In September 2000 the Township began an extensive residential inspection program to ensure compliance with the Township ordinance. A collection system sampling event was completed in October 2002. The plant was brought into compliance for both sodium and chloride by the December 31, 2002 consent order deadline. An investigation of the contaminated groundwater plume was completed in 2002 and approved by the MDEQ in July 2002. The plume has been shown to extend approximately one-half mile southwest of the WWTP toward Chilson Road.

GENOA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 13 - CONTINGENT LIABILITIES - continued

The site is currently operating under a MDEQ approved Interim Response Activities Designed to Meet Criteria Report (IRDC). The IRDC requires annual groundwater monitoring and corrective action activities to protect drinking water sources.

In the year ending June 30, 2005, the Township spent approximately \$20,167 to prepare the IRDC, to complete a residential sampling event, to maintain reverse osmosis systems in several residents homes in the area, and to complete a groundwater sampling event. The amount of additional costs for July 1, 2005, through June 30, 2006 is estimated to be \$35,000. This cost includes conducting monitoring and corrective action activities.

NOTE 14 - IMPLEMENTATION OF GASB STATEMENT NO. 34

The Township has implemented the standards required by GASB Statement No. 34 for the year ended June 30, 2005. All required statements and disclosures have been included in the basic financial statements.

NOTE 15 - RECONCILIATION OF FUND FINANCIAL STATEMENTS
TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Amounts reported for governmental activities in the Statement
of Net Assets are different because:

Total fund balance per balance sheet	\$ 13,247,123
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	
Historical cost	\$ 3,725,139
Depreciation	<u>(531,204)</u>
Capital assets net of depreciation	3,193,935
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:	
Contracts payable	(2,739,865)
Bonds payable	<u>(8,878,176)</u>
Total	(11,618,041)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.	<u>8,589,923</u>
Net assets of governmental activities	<u>\$ 13,412,940</u>

GENOA TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

**NOTE 15 - RECONCILIATION OF FUND FINANCIAL STATEMENTS
TO GOVERNMENT-WIDE FINANCIAL STATEMENTS - continued**

Amounts reported for governmental activities in the Statement
of Activities are different because:

Net change in fund balances - governmental funds	\$ (991,668)
--	--------------

Governmental funds report capital outlay as expenditures.
However, in the Statement of Activities the cost of those
assets are allocated over their useful lives as depreciation
expense. The amount by which capital outlays exceeded
depreciation is as follows:

Capital outlay	\$ 488,224
Depreciation expense	<u>(102,340)</u>

Total	385,884
-------	---------

Repayment of bond and contracts payable is an expenditure
in the governmental funds, but the repayment reduces long-term
liabilities in the Statement of Net Assets.

Repayment of:

Bonds payable	1,028,032
Contracts payable	<u>412,856</u>

Total	1,440,888
-------	-----------

Principal received on special assessments are income as they are
levied annually for governmental funds, but they are income
when they are levied for the Statement of Activities.

Special assessments levied	1,000,882
Principal collected on assessments	<u>(1,186,935)</u>

Total	<u>(186,053)</u>
-------	------------------

Change in net assets of governmental activities	<u>\$ 649,051</u>
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REQUIRED
SUPPLEMENTARY
INFORMATION

GENOA TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	Budgets		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES	\$ 3,574,600	\$ 3,648,127	\$ 3,551,169	\$ (96,958)
EXPENDITURES	<u>3,254,700</u>	<u>3,321,626</u>	<u>3,117,628</u>	<u>203,998</u>
Excess of revenues over (under) expenditures	<u>319,900</u>	<u>326,501</u>	<u>433,541</u>	<u>107,040</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		40,000	39,730	(270)
Transfers (out)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u> </u>
Total other financing sources (uses)	<u>(300,000)</u>	<u>(260,000)</u>	<u>(260,270)</u>	<u>(270)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	19,900	66,501	173,271	106,770
FUND BALANCE, JULY 1, 2004	<u>1,157,680</u>	<u>1,157,680</u>	<u>1,157,680</u>	<u> </u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 1,177,580</u>	<u>\$ 1,224,181</u>	<u>\$ 1,330,951</u>	<u>\$ 106,770</u>

GENOA TOWNSHIP
SCHEDULES OF PENSION FUNDING PROGRESS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2005

In accordance with the Governmental Accounting Standards Board Statements No. 25 and 27, the following information is a required part of the basic financial statements.

TOWNSHIP MANAGER

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (Overfunded) Accrued Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2002	\$ 4,741	\$ 1,870	\$ (2,871)	(153.5%)	\$ 71,339	(3.9)%
December 31, 2003	\$ 10,896	\$ 11,154	\$ 258	97.7%	\$ 74,467	.3 %
December 31, 2004	\$ 16,079	\$ 19,004	\$ 2,925	84.6%	\$ 75,004	3.9%

SUPPLEMENTARY
INFORMATION

COMBINING
FINANCIAL
STATEMENTS

GENOA TOWNSHIP
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2005

	<u>Liquor Law Enforcement Fund</u>	<u>Road Improvement Fund</u>	<u>Reimbursable Road Projects Fund</u>
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 979	\$ 1,100,559	\$ 774,791
Special assessments receivable	<u> </u>	<u> </u>	<u>698,162</u>
Total assets	<u>\$ 979</u>	<u>\$ 1,100,559</u>	<u>\$ 1,472,953</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Deferred revenues	\$	\$	\$ 698,162
Accounts payable	<u> </u>	<u> </u>	<u> </u>
Total liabilities			698,162
FUND BALANCE	<u>979</u>	<u>1,100,559</u>	<u>774,791</u>
Total liabilities and fund balance	<u>\$ 979</u>	<u>\$ 1,100,559</u>	<u>\$ 1,472,953</u>

Future Development Parks, Paths and Recreation Fund	<u>Totals</u>
--	---------------

\$ 675,103	\$ 2,551,432
<u> </u>	<u>698,162</u>
<u>\$ 675,103</u>	<u>\$ 3,249,594</u>

\$ 24,500	\$ 698,162
<u>24,500</u>	<u>24,500</u>
<u>24,500</u>	<u>722,662</u>
<u>650,603</u>	<u>2,526,932</u>
<u>\$ 675,103</u>	<u>\$ 3,249,594</u>

GENOA TOWNSHIP
ALL DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2005

	<u>Dorr Road Water and Sewer Fund</u>	<u>Tri-Lakes Road Fund</u>	<u>Genoa- Oceola Phase I Sewer Fund</u>	<u>Genoa- Oceola Phase II Sewer Fund</u>
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 102,505	\$ 47,730	\$ 319,642	\$ 619,394
Special assessments receivable	<u>431,600</u>	<u>497,293</u>	<u>883,294</u>	<u>1,175,567</u>
Total assets	<u>\$ 534,105</u>	<u>\$ 545,023</u>	<u>\$ 1,202,936</u>	<u>\$ 1,794,961</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Deferred revenues	\$ 431,600	\$ 497,293	\$ 883,294	\$ 1,175,567
Due to others	<u> </u>	<u> </u>	<u>358</u>	<u> </u>
Total liabilities	431,600	497,293	883,652	1,175,567
Fund balance	<u>102,505</u>	<u>47,730</u>	<u>319,284</u>	<u>619,394</u>
Total liabilities and fund balance	<u>\$ 534,105</u>	<u>\$ 545,023</u>	<u>\$ 1,202,936</u>	<u>\$ 1,794,961</u>

<u>Grand River Water Fund</u>	<u>Grand Oaks Water Fund</u>	<u>Grand River Road Fund</u>	<u>Lake Edgewood West Water Fund</u>	<u>MHOG Plant Expansion Fund</u>	<u>Genoa-Oceola Plant Expansion Fund</u>	<u>Totals</u>
\$ 92,795 <u>1,019,426</u>	\$ 90,061 <u>352,399</u>	\$ 68,183 <u>908,280</u>	\$ 202,936 <u>2,316,751</u>	\$ 1,161,986 <u></u>	\$ 2,120,139 <u></u>	\$ 4,825,371 <u>7,584,610</u>
<u>\$ 1,112,221</u>	<u>\$ 442,460</u>	<u>\$ 976,463</u>	<u>\$ 2,519,687</u>	<u>\$ 1,161,986</u>	<u>\$ 2,120,139</u>	<u>\$ 12,409,981</u>
\$ 1,019,426 <u></u>	\$ 352,399 <u></u>	\$ 908,280 <u></u>	\$ 2,316,751 <u></u>	\$ <u></u>	\$ <u></u>	\$ 7,584,610 <u>358</u>
1,019,426	352,399	908,280	2,316,751			7,584,968
<u>92,795</u>	<u>90,061</u>	<u>68,183</u>	<u>202,936</u>	<u>1,161,986</u>	<u>2,120,139</u>	<u>4,825,013</u>
<u>\$ 1,112,221</u>	<u>\$ 442,460</u>	<u>\$ 976,463</u>	<u>\$ 2,519,687</u>	<u>\$ 1,161,986</u>	<u>\$ 2,120,139</u>	<u>\$ 12,409,981</u>

GENOA TOWNSHIP
ALL CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2005

	<u>Grand River Water New User Fund</u>	<u>Genoa-Oceola Phase I Sewer New User Fund</u>	<u>Genoa-Oceola Phase II Sewer New User Fund</u>
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 1,149,449	\$ 953,689	\$ 1,731,529
Special assessment receivable			307,150
Due from G/O Authority		1,000	
Due from other funds	<u> </u>	<u>720,000</u>	<u> </u>
Total assets	<u>\$ 1,149,449</u>	<u>\$ 1,674,689</u>	<u>\$ 2,038,679</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Deferred revenues	\$	\$	\$ 307,150
FUND BALANCE	<u>1,149,449</u>	<u>1,674,689</u>	<u>1,731,529</u>
Total liabilities and fund balance	<u>\$ 1,149,449</u>	<u>\$ 1,674,689</u>	<u>\$ 2,038,679</u>

<u>Lake Edgewood West Water Construction Fund</u>	<u>Totals</u>
\$ 8,560	\$ 3,843,227
	307,150
	1,000
	<u>720,000</u>
<u>\$ 8,560</u>	<u>\$ 4,871,377</u>

\$	\$ 307,150
<u>8,560</u>	<u>4,564,227</u>
<u>\$ 8,560</u>	<u>\$ 4,871,377</u>

GENOA TOWNSHIP
ALL ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2005

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Totals
<u>ASSETS</u>				
Current Assets				
Cash and cash equivalents	\$ 5,991	\$ 134,489	\$ 175,069	\$ 315,549
Accounts receivable	172,208	94,927	54,219	321,354
Due from others	243,198			243,198
Due from other funds	<u>18,544</u>	<u>13,942</u>	<u>2,103</u>	<u>34,589</u>
Total current assets	<u>439,941</u>	<u>243,358</u>	<u>231,391</u>	<u>914,690</u>
Restricted Assets				
Cash and cash equivalents				
Future improvements	1,206,009	775,163		1,981,172
Debt service	1,101,700	935,821	176,239	2,213,760
Special assessments receivable	1,787,405	3,565,129	227,250	5,579,784
Contract receivable - City of Brighton	<u></u>	<u>206,400</u>	<u></u>	<u>206,400</u>
Total restricted assets	<u>4,095,114</u>	<u>5,482,513</u>	<u>403,489</u>	<u>9,981,116</u>
Property, Plant and Equipment				
Land	358,855	259,009		617,864
Water and sewer systems	11,979,838	7,462,949		19,442,787
Construction in progress	<u>355,352</u>	<u>240,323</u>	<u></u>	<u>595,675</u>
	12,694,045	7,962,281		20,656,326
Less accumulated depreciation	<u>3,248,354</u>	<u>1,107,685</u>	<u></u>	<u>4,356,039</u>
Net property, plant and equipment	<u>9,445,691</u>	<u>6,854,596</u>	<u></u>	<u>16,300,287</u>
Total assets	<u>\$ 13,980,746</u>	<u>\$ 12,580,467</u>	<u>\$ 634,880</u>	<u>\$ 27,196,093</u>

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Totals
<u>LIABILITIES AND FUND EQUITY</u>				
Current Liabilities				
Accounts payable	\$ 48,910	\$ 30,120	\$ 40,283	\$ 119,313
Due to other funds	742,623	6,429	6,663	755,715
Due to others			10,338	10,338
Total current liabilities	<u>791,533</u>	<u>36,549</u>	<u>57,284</u>	<u>885,366</u>
Current Liabilities (from restricted assets)				
Special assessment bonds	295,000	130,000		425,000
Contracts payable		<u>295,000</u>	<u>69,660</u>	<u>364,660</u>
Total current liabilities (from restricted assets)	<u>295,000</u>	<u>425,000</u>	<u>69,660</u>	<u>789,660</u>
Long-Term Liabilities (from restricted assets)				
Special assessment bonds	1,860,000	630,000		2,490,000
Contracts payable		<u>3,990,000</u>	<u>278,640</u>	<u>4,268,640</u>
Total long-term liabilities (from restricted assets)	<u>1,860,000</u>	<u>4,620,000</u>	<u>278,640</u>	<u>6,758,640</u>
Total liabilities	<u>2,946,533</u>	<u>5,081,549</u>	<u>405,584</u>	<u>8,433,666</u>
Fund Equity				
Retained earnings				
Reserved	10,443,787	7,384,390	119,288	17,947,465
Unreserved	<u>590,426</u>	<u>114,528</u>	<u>110,008</u>	<u>814,962</u>
Total fund equity	<u>11,034,213</u>	<u>7,498,918</u>	<u>229,296</u>	<u>18,762,427</u>
Total liabilities and fund equity	<u>\$ 13,980,746</u>	<u>\$ 12,580,467</u>	<u>\$ 634,880</u>	<u>\$ 27,196,093</u>

GENOA TOWNSHIP
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2005

	<u>Deposit Trust Fund</u>	<u>Current Tax Fund</u>	<u>Trust and Agency Fund</u>	<u>Total</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ <u>242,051</u>	\$ <u>1,470</u>	\$ <u>12,065</u>	\$ <u>255,586</u>
 <u>LIABILITIES</u>				
LIABILITIES				
Deposits	\$ 241,628	\$	\$ 11,565	\$ 253,193
Due to other funds	<u>423</u>	<u>1,470</u>	<u>500</u>	<u>2,393</u>
Total liabilities	\$ <u>242,051</u>	\$ <u>1,470</u>	\$ <u>12,065</u>	\$ <u>255,586</u>

GENOA TOWNSHIP
ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2005

	Liquor Law Enforcement Fund	Road Improvement Fund
REVENUES		
Special assessments	\$	\$
Intergovernmental - state	11,717	
Interest and other	<u>13</u>	<u>25,601</u>
Total revenues	<u>11,730</u>	<u>25,601</u>
EXPENDITURES		
Parks		
Roads		
Inspection fees	6,600	
Payroll taxes	505	
Miscellaneous	<u>4,210</u>	
Total expenditures	<u>11,315</u>	
Excess of revenues over (under) expenditures	<u>415</u>	<u>25,601</u>
OTHER FINANCING SOURCES		
Transfers out		
Transfers in		<u>100,000</u>
Total other financing sources (uses)		<u>100,000</u>
Excess of revenues over expenditures and other financing sources (uses)	415	125,601
FUND BALANCE, JULY 1, 2004	<u>564</u>	<u>974,958</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 979</u>	<u>\$ 1,100,559</u>

<u>Reimbursable Road Projects Fund</u>	<u>Future Development Parks, Paths and Recreation Fund</u>	<u>Cemetery Perpetual Care</u>	<u>Totals</u>
\$ 269,479	\$	\$	\$ 269,479
			11,717
<u>3,847</u>	<u>23,566</u>	<u>223</u>	<u>53,250</u>
<u>273,326</u>	<u>23,566</u>	<u>223</u>	<u>334,446</u>
	433,734		433,734
13,956			13,956
			6,600
			505
			<u>4,210</u>
<u>13,956</u>	<u>433,734</u>		<u>459,005</u>
<u>259,370</u>	<u>(410,168)</u>	<u>223</u>	<u>(124,559)</u>
		(39,730)	(39,730)
<u>100,000</u>	<u>100,000</u>		<u>300,000</u>
<u>100,000</u>	<u>100,000</u>	<u>(39,730)</u>	<u>260,270</u>
359,370	(310,168)	(39,507)	135,711
<u>415,421</u>	<u>960,771</u>	<u>39,507</u>	<u>2,391,221</u>
<u>\$ 774,791</u>	<u>\$ 650,603</u>	<u>\$</u>	<u>\$ 2,526,932</u>

GENOA TOWNSHIP
ALL DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2005

	Dorr Road Water & Sewer Fund	Tri-Lakes Road Fund	Genoa-Oceola Phase I Sewer Fund	Genoa-Oceola Phase II Sewer Fund
REVENUES				
Special assessments - principal	\$ 26,975	\$ 65,595	\$ 235,756	\$ 204,777
Special assessments - interest	26,551	26,205	90,345	27,526
Interest	1,224	422	3,808	7,965
Miscellaneous				
Total revenues	<u>54,750</u>	<u>92,222</u>	<u>329,909</u>	<u>240,268</u>
EXPENDITURES				
Bond repayment				
Principal	40,000	50,000	316,355	246,675
Interest	31,100	14,112	67,736	36,811
Miscellaneous	<u>250</u>	<u>747</u>	<u>690</u>	<u>450</u>
Total expenditures	<u>71,350</u>	<u>64,859</u>	<u>384,781</u>	<u>283,936</u>
Excess of revenues over (under) expenditures	<u>(16,600)</u>	<u>27,363</u>	<u>(54,872)</u>	<u>(43,668)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>2,105</u>			
Excess of revenues over (under) expenditures and other financing sources	(14,495)	27,363	(54,872)	(43,668)
FUND BALANCE, JULY 1, 2004	<u>117,000</u>	<u>20,367</u>	<u>374,156</u>	<u>663,062</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 102,505</u>	<u>\$ 47,730</u>	<u>\$ 319,284</u>	<u>\$ 619,394</u>

<u>Grand River Water Fund</u>	<u>Grand Oaks Water Fund</u>	<u>Grand River Road Fund</u>	<u>Lake Edgewood West Water Fund</u>	<u>MHOG Plant Expansion Fund</u>	<u>Genoa- Oceola Plant Expansion</u>	<u>Total</u>
\$ 121,973	\$ 25,171	\$ 65,761	\$ 155,284	\$	\$	\$ 901,292
55,476	21,861	59,621	166,867			474,452
964	1,231	495	1,745	19,499	43,560	80,913
		91				91
<u>178,413</u>	<u>48,263</u>	<u>125,968</u>	<u>323,896</u>	<u>19,499</u>	<u>43,560</u>	<u>1,456,748</u>
100,000	25,000	80,000	170,000	80,000	6,2411	1,170,441
27,762	17,471	57,785	153,298	53,397	71,741	531,223
400	700	680	450	329	149	4,845
<u>128,162</u>	<u>43,171</u>	<u>138,465</u>	<u>323,748</u>	<u>133,726</u>	<u>134,311</u>	<u>1,706,509</u>
<u>50,251</u>	<u>5,092</u>	<u>(12,497)</u>	<u>148</u>	<u>(114,227)</u>	<u>(90,751)</u>	<u>(249,761)</u>
						<u>2,105</u>
50,251	5,092	(12,497)	148	(114,227)	(90,751)	(247,656)
<u>42,544</u>	<u>84,969</u>	<u>80,680</u>	<u>202,788</u>	<u>1,276,213</u>	<u>2,210,890</u>	<u>5,072,669</u>
<u>\$ 92,795</u>	<u>\$ 90,061</u>	<u>\$ 68,183</u>	<u>\$ 202,936</u>	<u>\$ 1,161,986</u>	<u>\$ 2,120,139</u>	<u>\$ 4,825,013</u>

GENOA TOWNSHIP
ALL CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2005

	Grand River Water New User Fund	Genoa-Oceola Phase I Sewer New User Fund	Genoa-Oceola Phase II Sewer New User Fund
REVENUES			
New user tap-in fees	\$ 345,733	\$ 191,548	\$ 149,672
Special assessments - principal			16,166
Special assessments - interest			5,389
Interest	<u>22,223</u>	<u>17,509</u>	<u>21,131</u>
Total revenues	<u>367,956</u>	<u>209,057</u>	<u>192,358</u>
EXPENDITURES			
Professional services	5,725	1,875	1,500
Expansion and construction	1,500,000		258,991
Other	<u>4,000</u>	<u>30,000</u>	<u>940</u>
Total expenditures	<u>1,509,725</u>	<u>31,875</u>	<u>261,431</u>
Excess of revenues over under expenditures	(1,141,769)	177,182	(69,073)
OTHER FINANCING (USES)			
Transfers (out)	<u> </u>	<u> </u>	<u> </u>
Excess of revenues over under expenditures and other financing (uses)	(1,141,769)	177,182	(69,073)
FUND BALANCE JULY 1, 2004	<u>2,291,218</u>	<u>1,497,507</u>	<u>1,800,602</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 1,149,449</u>	<u>\$ 1,674,689</u>	<u>\$ 1,731,529</u>

<u>Dorr Road Water and Sewer Construction Fund</u>	<u>Lake Edgewood West Water Construction Fund</u>	<u>Grand River Road Construction Fund</u>	<u>Totals</u>
\$	\$	\$	\$ 686,953
			16,166
			5,389
<u>4</u>	<u>61</u>	<u>17</u>	<u>60,945</u>
<u>4</u>	<u>61</u>	<u>17</u>	<u>769,453</u>
	1,400		10,500
	3,820	12,091	1,774,902
<u></u>	<u></u>	<u></u>	<u>34,940</u>
<u></u>	<u>5,220</u>	<u>12,091</u>	<u>1,820,342</u>
4	(5,159)	(12,074)	(1,050,889)
<u>(2,105)</u>	<u></u>	<u></u>	<u>(2,105)</u>
(2,101)	(5,159)	(12,074)	(1,052,994)
<u>2,101</u>	<u>13,719</u>	<u>12,074</u>	<u>5,617,221</u>
<u>\$</u>	<u>\$ 8,560</u>	<u>\$</u>	<u>\$ 4,564,227</u>

GENOA TOWNSHIP
ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2005

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund
OPERATING REVENUES		
User charges	\$ 672,440	\$ 314,185
OPERATING EXPENSES		
Water and sewer usage		69,624
Repairs, maintenance and supplies	110,322	8,932
Contracted labor	235,252	105,693
Out of scope - contract labor	3,715	1,702
Utilities and telephone	90,814	57,100
Administration	38,596	11,351
Professional fees	15,915	4,759
Groundwater exceedence	20,167	33,732
Insurance	11,581	5,018
Depreciation	287,357	150,483
Meter reading	18,993	3,218
Sewer back-up settlement	37,625	
Sludge disposal	45,262	7,735
Total operating expenses	915,599	459,347
Operating income (loss)	(243,159)	(145,162)
NON-OPERATING REVENUES AND (EXPENSES)		
Connection fees	49,144	588,680
Interest income - special assessments	81,121	282,427
Interest income - reserved accounts	26,090	
Interest income - general	1,590	909
Interest expense - bonds	(69,967)	(304,029)
Other revenue (expense), net	5,060	10,324
Special assessment chargeback		(32,370)
Total non-operating revenues and (expenses)	93,038	545,941
Net income (loss)	(150,121)	400,779
RETAINED EARNINGS JULY 1, 2004	11,184,334	7,098,139
RETAINED EARNINGS JUNE 30, 2005	\$ 11,034,213	\$ 7,498,918

Pine Creek Water and Sewer Systems Fund	Totals
<u>\$ 217,777</u>	<u>\$ 1,204,402</u>
196,824	266,448
536	119,790
	340,945
	5,417
	147,914
14,387	64,334
1,050	21,724
	53,899
	16,599
	437,840
6,663	28,874
	37,625
	<u>52,997</u>
<u>219,460</u>	<u>1,594,406</u>
<u>(1,683)</u>	<u>(390,004)</u>
	637,824
2,823	366,371
	26,090
1,362	3,861
	(373,996)
5,215	20,599
	<u>(32,370)</u>
<u>9,400</u>	<u>648,379</u>
7,717	258,375
<u>221,579</u>	<u>18,504,052</u>
<u>\$ 229,296</u>	<u>\$ 18,762,427</u>

GENOA TOWNSHIP
ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Receipts from customers	\$ 627,600	\$ 340,744
Payments to vendors	<u>(607,836)</u>	<u>(331,636)</u>
Net cash from (used in) from operating activities	<u>19,764</u>	<u>9,108</u>
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Connection fees	49,144	366,480
Repayment of principal on bonds	(290,000)	(415,000)
Special assessments collections	283,452	335,483
Collections City of Brighton - contract receivable		17,200
Payment on City of Brighton - contract payable		
Interest received from special assessments and reserved accounts	107,211	282,427
Interest paid on bonds	(69,967)	(304,029)
Other income		10,324
Net loans with other funds		(8,443)
Additions to systems	<u> </u>	<u>(32,823)</u>
Net cash from capital and related financing activities	<u>79,840</u>	<u>251,619</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Interest received from operations	1,590	909
Other revenue/expense (net)	5,060	
Proceeds from investments	58,140	
Additions to systems	(426,334)	
Investments in Brownsfield Authority	(179,319)	
Loans to other funds	(14,085)	
Loans from other funds	<u>722,099</u>	<u> </u>
Net cash from investing activities	<u>167,151</u>	<u>909</u>
Net increase (decrease) in cash and cash equivalents	266,755	261,636
CASH AND CASH EQUIVALENTS AT JULY 1, 2004	<u>2,046,945</u>	<u>1,583,837</u>
CASH AND CASH EQUIVALENTS AT JUNE 30, 2005	<u>\$ 2,313,700</u>	<u>\$ 1,845,473</u>

Pine Creek Water and Sewer Systems		
<u>Fund</u>	<u>Totals</u>	
\$ 221,801	\$ 1,190,145	
<u>(243,824)</u>	<u>(1,183,296)</u>	
<u>(22,023)</u>	<u>6,849</u>	
	415,624	
	(705,000)	
66,716	685,651	
	17,200	
(69,660)	(69,660)	
2,823	392,461	
	(373,996)	
5,215	15,539	
4,207	(4,236)	
<u> </u>	<u>(32,823)</u>	
<u>9,301</u>	<u>340,760</u>	
1,362	3,861	
	5,060	
	58,140	
	(426,334)	
	(179,319)	
	(14,085)	
<u> </u>	<u>722,099</u>	
<u>1,362</u>	<u>169,422</u>	
(11,360)	517,031	
<u>362,668</u>	<u>3,993,450</u>	
<u>\$ 351,308</u>	<u>\$ 4,510,481</u>	

INDIVIDUAL
FUNDS

GENERAL
FUND

GENOA TOWNSHIP
GENERAL FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,183,766
State shared revenue receivable	349,399
Accounts receivable - rent	17,176
Accounts receivable - Metro Act	13,455
Accounts receivable - school elections	16,121
Accounts receivable - taxes	17,346
Accounts receivable - capital projects	78,410
Due from other funds	34,478
Due from area utilities	86,294
Prepaid expenditures	<u>14,612</u>

Total assets \$ 1,811,057

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 83,382
Accrued payroll and compensated absences	38,470
Due to other funds	30,960
Deferred revenue	<u>327,294</u>

Total liabilities \$ 480,106

FUND BALANCE

1,330,951

Total liabilities and fund balance \$ 1,811,057

GENOA TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES	\$ 3,648,127	\$ 3,551,169	\$ (96,958)
EXPENDITURES	<u>3,321,626</u>	<u>3,117,628</u>	<u>203,998</u>
Excess of revenues over (under) expenditures	<u>326,501</u>	<u>433,541</u>	<u>107,040</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	40,000	39,730	(270)
Transfers (out)	<u>(300,000)</u>	<u>(300,000)</u>	<u> </u>
Total other financing sources (uses)	<u>(260,000)</u>	<u>(260,270)</u>	<u>(270)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	66,501	173,271	106,770
FUND BALANCE, JULY 1, 2004	<u>1,157,680</u>	<u>1,157,680</u>	<u> </u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 1,224,181</u>	<u>\$ 1,330,951</u>	<u>\$ 106,770</u>

GENOA TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 753,500	\$ 799,297	\$ 45,797
Penalties and interest on taxes	2,500	8,769	6,269
Tax collection fees	329,600	326,993	(2,607)
Licenses and permits	50,000	33,274	(16,726)
Cable franchise fees	195,000	183,650	(11,350)
Trailer fees	4,000	3,657	(343)
State shared revenues	1,250,000	1,067,537	(182,463)
Application fees	70,000	67,855	(2,145)
Refuse collection fees	530,000	525,309	(4,691)
Printing fees	2,000	4,095	2,095
Sale of cemetery lots		1,000	1,000
Utility administration fees	240,000	291,233	51,233
Liquor law administration fees	2,400	3,500	1,100
Land transfer - taxes	98,420	98,421	1
Metro Act	12,000	13,455	1,455
Street lights	705	704	(1)
Rent	62,000	68,176	6,176
Interest	40,000	48,735	8,735
Miscellaneous	<u>6,002</u>	<u>5,509</u>	<u>(493)</u>
Total revenues	<u>\$ 3,648,127</u>	<u>\$ 3,551,169</u>	<u>\$ (96,958)</u>

GENOA TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES			
Salaries - trustees	\$ 18,000	\$ 18,450	\$ (450)
Salary - supervisor	43,500	43,500	
Salary - manager	85,000	79,732	5,268
Salaries - elections	30,500	14,286	16,214
Salaries - assessing	190,000	207,124	(17,124)
Professional services - legal	100,000	103,084	(3,084)
Salary - clerk	42,500	42,500	
Professional services - auditor	12,450	9,950	2,500
Professional services - engineers	50,000	106,767	(56,767)
Tax roll preparation - Livingston County	8,000	7,133	867
Salaries - board of review	2,500	1,920	580
Refunds and charge backs	1	1,293	(1,292)
Salary - treasurer	42,500	42,500	
Repairs and maintenance - equipment	40,000	36,421	3,579
Insurance	175,000	159,600	15,400
Public utilities	18,000	15,194	2,806
Salaries - secretaries	211,000	219,775	(8,775)
Retirement - pensions	71,000	74,402	(3,402)
Office supplies	100,000	98,774	1,226
Telephone	14,000	13,632	368
Travel	2,000	7,687	(5,687)
Miscellaneous	11,001		11,001
Escrow loss	2,000		2,000
Dues	20,000	17,102	2,898
Regional meeting fees	17,000	17,711	(711)
Application fees	170,000	104,246	65,754
Utility billing fees	142,000	145,375	(3,375)
Salary - ordinance enforcement	35,000	34,776	224
Meter reading		78,593	(78,593)
Road improvements	250,000	40,938	209,062
Landscape and site work	6,000	12,391	(6,391)
Refuse	731,000	727,416	3,584
Dust control	105,000	78,392	26,608
Storm water mandate	15,000	11,463	3,537
White Pines street lighting	700	609	91
Fire substation	13,000	9,997	3,003
Debt retirement - principal	270,445	270,445	
Debt retirement - interest	8,528	8,528	
Parks and recreation	93,000	123,131	(30,131)
Drain advances	25,000	17,037	7,963
Capital outlay	95,000	58,245	36,755
Payroll taxes	56,001	57,509	(1,508)
Total expenditures	<u>\$ 3,321,626</u>	<u>\$ 3,117,628</u>	<u>\$ 203,998</u>

LIQUOR LAW ENFORCEMENT
FUND

GENOA TOWNSHIP
LIQUOR LAW ENFORCEMENT FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents

\$ 979

FUND BALANCE

FUND BALANCE

\$ 979

GENOA TOWNSHIP
LIQUOR LAW ENFORCEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Liquor license fees	\$	\$ 11,717	\$
Interest		13	
Total revenues	<u>12,065</u>	<u>11,730</u>	<u>(335)</u>
EXPENDITURES			
Inspection fees		6,600	
Payroll taxes		505	
Administration		3,500	
Retirement		660	
Miscellaneous		50	
Total expenditures	<u>11,320</u>	<u>11,315</u>	<u>5</u>
Excess of revenues over (under) expenditures	745	415	(330)
FUND BALANCE, JULY 1, 2004	<u>564</u>	<u>564</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 1,309</u>	<u>\$ 979</u>	<u>\$ (330)</u>

ROAD IMPROVEMENT
FUND

GENOA TOWNSHIP
ROAD IMPROVEMENT FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents

\$ 1,100,559

FUND BALANCE

FUND BALANCE

\$ 1,100,559

GENOA TOWNSHIP
ROAD IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 27,000	\$ 25,601	\$ (1,399)
EXPENDITURES			
Legal and accounting	<u>300</u>	<u> </u>	<u>300</u>
Excess of revenues over (under) expenditures	26,700	25,601	(1,099)
OTHER FINANCING SOURCES			
Transfers in	<u>250,000</u>	<u>100,000</u>	<u>(150,000)</u>
Excess of revenues over (under) expenditures and other financing sources	276,700	125,601	(151,099)
FUND BALANCE, JULY 1, 2004	<u>974,958</u>	<u>974,958</u>	<u> </u>
FUND BALANCE, JUNE 30, 2005	<u><u>\$1,251,658</u></u>	<u><u>\$1,100,559</u></u>	<u><u>\$ (151,099)</u></u>

REIMBURSABLE
ROAD PROJECTS
FUND

GENOA TOWNSHIP
REIMBURSABLE ROAD PROJECTS FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents
Special assessments receivable

\$ 774,791
698,162

Total assets

\$ 1,472,953

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues

\$ 698,162

FUND BALANCE

774,791

Total liabilities and fund balance

\$ 1,472,953

GENOA TOWNSHIP
REIMBURSABLE ROAD PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$	\$ 269,479	\$
Interest		<u>3,847</u>	
Total revenues	259,326	273,326	14,000
EXPENDITURES			
Road construction and maintenance	<u>147,148</u>	<u>13,956</u>	<u>133,192</u>
Excess of revenues over (under) expenditures	112,178	259,370	147,192
OTHER FINANCING SOURCES			
Transfers in	<u>100,000</u>	<u>100,000</u>	
Excess of revenues over (under) expenditures and other financing sources	212,178	359,370	147,192
FUND BALANCE, JULY 1, 2004	<u>415,421</u>	<u>415,421</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 627,599</u>	<u>\$ 774,791</u>	<u>\$ 147,192</u>

FUTURE DEVELOPMENT - PARKS
PATHS AND RECREATION FUND

GENOA TOWNSHIP
FUTURE DEVELOPMENT - PARKS, PATHS AND RECREATION FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 675,103
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 24,500
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FUND BALANCE

650,603

Total liabilities and fund balance	\$ 675,103
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GENOA TOWNSHIP
FUTURE DEVELOPMENT - PARKS, PATHS AND RECREATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 18,001	\$ 23,566	\$ 5,565
EXPENDITURES			
Bike path project costs	<u>418,852</u>	<u>433,734</u>	<u>(14,882)</u>
Excess of revenues over (under) expenditures	(400,851)	(410,168)	(9,317)
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>100,000</u>	<u>100,000</u>	<u> </u>
Excess of revenues over (under) expenditures and other financing sources (uses)	(300,851)	(310,168)	(9,317)
FUND BALANCE, JULY 1, 2004	<u>960,771</u>	<u>960,771</u>	<u> </u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 659,920</u>	<u>\$ 650,603</u>	<u>\$ (9,317)</u>

CEMETERY PERPETUAL CARE
FUND

GENOA TOWNSHIP
CEMETERY PERPETUAL CARE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2005

INTEREST	\$ 223
EXPENDITURES	<u> </u>
Excess of revenues over expenditures	223
OTHER FINANCING (USES)	
Transfers (out)	<u>(39,730)</u>
Excess of revenues over expenditures and other financing (uses)	(39,507)
FUND BALANCE, JULY 1, 2004	<u>39,507</u>
FUND BALANCE, JUNE 30, 2005	<u><u>\$</u></u>

DORR ROAD
WATER AND SEWER
DEBT SERVICE
FUND

GENOA TOWNSHIP
DORR ROAD WATER AND SEWER DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents
Special assessments receivable

\$ 102,505
431,600

Total assets

\$ 534,105

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue

\$ 431,600

FUND BALANCE

102,505

Total liabilities and fund balance

\$ 534,105

GENOA TOWNSHIP
DORR ROAD WATER AND SEWER DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - Principal	\$	\$ 26,975	\$
Special assessments - Interest		26,551	
Interest		<u>1,224</u>	
Total revenues	<u>54,426</u>	<u>54,750</u>	<u>324</u>
EXPENDITURES			
Bond repayments			
Principal		40,000	
Interest		31,100	
Miscellaneous		<u>250</u>	
Total expenditures	<u>71,350</u>	<u>71,350</u>	
Excess of revenues over (under) expenditures	(16,924)	(16,600)	324
OTHER FINANCING SOURCES			
Transfers in		<u>2,105</u>	<u>2,105</u>
Excess of revenues over (under) expenditures and other financing sources	(16,924)	(14,495)	2,429
FUND BALANCE, JULY 1, 2004	<u>117,000</u>	<u>117,000</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 100,076</u>	<u>\$ 102,505</u>	<u>\$ 2,429</u>

TRI-LAKES ROAD DEBT
SERVICE FUND

GENOA TOWNSHIP
TRI-LAKES ROAD DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 47,730
Special assessments receivable	<u>497,293</u>

Total assets		<u>\$ 545,023</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 497,293
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FUND BALANCE

<u>47,730</u>

Total liabilities and fund balance		<u>\$ 545,023</u>
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GENOA TOWNSHIP
 TRI-LAKES ROAD DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 65,595	\$
Special assessments - interest		26,205	
Interest - investments		<u>422</u>	
Total revenues	<u>94,740</u>	<u>92,222</u>	<u>(2,518)</u>
EXPENDITURES			
Bond repayments			
Principal		50,000	
Interest		14,112	
Miscellaneous		<u>747</u>	
Total expenditures	<u>64,612</u>	<u>64,859</u>	<u>(247)</u>
Excess of revenues over (under) expenditures	30,128	27,363	(2,765)
FUND BALANCE, JULY 1, 2004	<u>20,367</u>	<u>20,367</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 50,495</u>	<u>\$ 47,730</u>	<u>\$ (2,765)</u>

GENOA-OCEOLA PHASE I
SEWER DEBT SERVICE FUND

GENOA TOWNSHIP
GENOA - OCEOLA PHASE I SEWER DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 319,642	
Special assessments receivable	<u>883,294</u>	
Total assets		<u>\$ 1,202,936</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to others	\$ 358	
Deferred revenue	<u>883,294</u>	
Total liabilities		\$ 883,652

FUND BALANCE

Total liabilities and fund balance		<u>319,284</u>
		<u>\$ 1,202,936</u>

GENOA TOWNSHIP
GENOA - OCEOLA PHASE I SEWER DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 235,756	\$
Special assessments - interest		90,345	
Interest - investments		<u>3,808</u>	
Total revenues	<u>305,518</u>	<u>329,909</u>	<u>24,391</u>
EXPENDITURES			
Bond repayments			
Principal		316,355	
Interest		67,736	
Miscellaneous		<u>690</u>	
Total expenditures	<u>384,782</u>	<u>384,781</u>	<u>1</u>
Excess of revenues over (under) expenditures	(79,264)	(54,872)	24,392
FUND BALANCE, JULY 1, 2004	<u>374,156</u>	<u>374,156</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 294,892</u>	<u>\$ 319,284</u>	<u>\$ 24,392</u>

GENOA-OCEOLA PHASE II
SEWER DEBT SERVICE FUND

GENOA TOWNSHIP
GENOA - OCEOLA PHASE II SEWER DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents
Special assessments receivable

\$ 619,394
1,175,567

Total assets

\$ 1,794,961

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue

\$ 1,175,567

FUND BALANCE

619,394

Total liabilities and fund balance

\$ 1,794,961

GENOA TOWNSHIP
GENOA - OCEOLA PHASE II SEWER DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$	\$ 204,777	\$
Interest - special assessments		27,526	
Interest - investments		<u>7,965</u>	
Total revenues	<u>227,771</u>	<u>240,268</u>	<u>12,497</u>
EXPENDITURES			
Bond repayments			
Principal		246,675	
Interest		36,811	
Miscellaneous		<u>450</u>	
Total expenditures	<u>284,196</u>	<u>283,936</u>	<u>260</u>
Excess of revenues over (under) expenditures	(56,425)	(43,668)	12,757
FUND BALANCE, JULY 1, 2004	<u>663,062</u>	<u>663,062</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 606,637</u>	<u>\$ 619,394</u>	<u>\$ 12,757</u>

GRAND RIVER WATER
DEBT SERVICE FUND

GENOA TOWNSHIP
GRAND RIVER WATER DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents
Special assessments receivable

\$ 92,795
1,019,426

Totals assets

\$ 1,112,221

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue

\$ 1,019,426

FUND BALANCE

92,795

Total liabilities and fund balance

\$ 1,112,221

GENOA TOWNSHIP
 GRAND RIVER WATER DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 121,973	\$
Special assessments - interest		55,476	
Interest - investments		<u>964</u>	
Total revenues	<u>181,054</u>	<u>178,413</u>	<u>(2,641)</u>
EXPENDITURES			
Bond repayments			
Principal		100,000	
Interest		27,762	
Miscellaneous		<u>400</u>	
Total expenditures	<u>132,179</u>	<u>128,162</u>	<u>4,017</u>
Excess of revenues over (under) expenditures	48,875	50,251	1,376
FUND BALANCE, JULY 1, 2004	<u>42,544</u>	<u>42,544</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 91,419</u>	<u>\$ 92,795</u>	<u>\$ 1,376</u>

GRAND OAKS WATER
DEBT SERVICE
FUND

GENOA TOWNSHIP
GRAND OAKS WATER DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents
Special assessments receivable

\$ 90,061
352,399

Total assets

\$ 442,460

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue

\$ 352,399

FUND BALANCE

90,061

Total liabilities and fund balance

\$ 442,460

GENOA TOWNSHIP
 GRAND OAKS WATER DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 25,171	\$
Special assessments - interest		21,861	
Interest - investments	<u> </u>	<u>1,231</u>	<u> </u>
Total revenues	<u>47,433</u>	<u>48,263</u>	<u>830</u>
EXPENDITURES			
Bond repayments			
Principal		25,000	
Interest		17,471	
Professional services	<u> </u>	<u>700</u>	<u> </u>
Total expenditures	<u>43,073</u>	<u>43,171</u>	<u>(98)</u>
Excess of revenues over expenditures	4,360	5,092	732
FUND BALANCE, JULY 1, 2004	<u>84,969</u>	<u>84,969</u>	<u> </u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 89,329</u>	<u>\$ 90,061</u>	<u>\$ 732</u>

GRAND RIVER ROAD
DEBT SERVICE
FUND

GENOA TOWNSHIP
GRAND RIVER ROAD DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents
Special assessments receivable

\$ 68,183
908,280

Total assets

\$ 976,463

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue

\$ 908,280

FUND BALANCE

68,183

Total liabilities and fund balance

\$ 976,463

GENOA TOWNSHIP
 GRAND RIVER ROAD DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>Unfavorable)</u>
REVENUES			
Special assessments - principal	\$	\$ 65,761	\$
Special assessments - interest		59,621	
Interest - investments		495	
Other income		91	
Total revenues	<u>125,247</u>	<u>125,968</u>	<u>721</u>
EXPENDITURES			
Bond repayments			
Principal		80,000	
Interest		57,785	
Agent fees		680	
Total expenditures	<u>138,485</u>	<u>138,465</u>	<u>20</u>
Excess of revenues over (under) expenditures	(13,238)	(12,497)	741
FUND BALANCE, JULY 1, 2004	<u>80,680</u>	<u>80,680</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 67,442</u>	<u>\$ 68,183</u>	<u>\$ 741</u>

LAKE EDGEWOOD
WEST WATER
DEBT SERVICE
FUND

GENOA TOWNSHIP
LAKE EDGEWOOD - WEST WATER DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 202,936
Special assessments receivable	<u>2,316,751</u>

Total assets		<u>\$ 2,519,687</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 2,316,751
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FUND BALANCE

<u>202,936</u>

Total liabilities and fund balance		<u>\$ 2,519,687</u>
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GENOA TOWNSHIP
LAKE EDGEWOOD - WEST WATER DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 155,284	\$
Special assessments - interest		166,867	
Interest - investments		<u>1,745</u>	
Total revenues	<u>322,315</u>	<u>323,896</u>	<u>1,581</u>
EXPENDITURES			
Bond repayments			
Principal		170,000	
Interest		153,298	
Professional fees		<u>450</u>	
Total expenditures	<u>323,798</u>	<u>323,748</u>	<u>50</u>
Excess of revenues over (under) expenditures	(1,483)	148	1,631
FUND BALANCE, JULY 1, 2004	<u>202,788</u>	<u>202,788</u>	
FUND BALANCE, JUNE 30, 2005	<u><u>\$ 201,305</u></u>	<u><u>\$ 202,936</u></u>	<u><u>\$ 1,631</u></u>

MARION HOWELL OCEOLA GENOA
PLANT EXPANSION
DEBT SERVICE
FUND

GENOA TOWNSHIP
MARION HOWELL OCEOLA GENOA PLANT EXPANSION
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents

\$ 1,161,986

FUND BALANCE

FUND BALANCE

\$ 1,161,986

GENOA TOWNSHIP
MARION HOWELL OCEOLA GENOA PLANT EXPANSION DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest - income	\$ 12,000	\$ 19,499	\$ 7,499
EXPENDITURES			
Bond repayments			
Principal		80,000	
Interest		53,397	
Miscellaneous		179	
Professional fees		150	
	<u>133,853</u>	<u>133,726</u>	<u>127</u>
Total expenditures			
	<u>133,853</u>	<u>133,726</u>	<u>127</u>
Excess of revenues over (under) expenditures	(121,853)	(114,227)	7,626
FUND BALANCE, JULY 1, 2004	<u>1,276,213</u>	<u>1,276,213</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 1,154,360</u>	<u>\$ 1,161,986</u>	<u>\$ 7,626</u>

GENOA - OCEOLA
PLANT EXPANSION
DEBT SERVICE FUND

GENOA TOWNSHIP
GENOA-OCEOLA PLANT EXPANSION DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents

\$ 2,120,139

FUND BALANCE

FUND BALANCE

\$ 2,120,139

GENOA TOWNSHIP
GENOA-OCEOLA PLANT EXPANSION DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	<u>\$ 18,500</u>	<u>\$ 43,560</u>	<u>\$ 25,060</u>
EXPENDITURES			
Debt			
Principal		62,411	
Interest		71,751	
Miscellaneous		149	
Total expenditures	<u>134,162</u>	<u>134,311</u>	<u>(149)</u>
Excess of revenues over (under) expenditures	(115,662)	(90,751)	24,911
FUND BALANCE, JULY 1, 2004	<u>2,210,890</u>	<u>2,210,890</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 2,095,228</u>	<u>\$ 2,120,139</u>	<u>\$ 24,911</u>

GRAND RIVER WATER
NEW USER CAPITAL
PROJECT FUND

GENOA TOWNSHIP
GRAND RIVER WATER NEW USER CAPITAL
PROJECT FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents

\$ 1,149,449

FUND BALANCE

FUND BALANCE

\$ 1,149,449

GENOA TOWNSHIP
 GRAND RIVER WATER NEW USER CAPITAL
 PROJECT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2005

REVENUES

New user tap - in fees	\$	345,733
Interest income		<u>22,223</u>

Total revenues		\$ 367,956
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EXPENDITURES

Expansion costs	1,500,000
Professional services	5,725
Refunds and chargebacks	<u>4,000</u>

Total expenditures		<u>1,509,725</u>
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Excess of revenues over (under) expenditures		(1,141,769)
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FUND BALANCE, JULY 1, 2004		<u>2,291,218</u>
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FUND BALANCE, JUNE 30, 2005		<u>\$ 1,149,449</u>
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GENOA-OCEOLA PHASE I SEWER
NEW USER CAPITAL
PROJECT FUND

GENOA TOWNSHIP
GENOA - OCEOLA PHASE I SEWER NEW USER CAPITAL
PROJECT FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 953,689
Due from G/O SWATH	1,000
Due from other funds	<u>720,000</u>

Total assets	<u>\$ 1,674,689</u>
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FUND BALANCE

FUND BALANCE	<u>\$ 1,674,689</u>
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GENOA TOWNSHIP
GENOA - OCEOLA PHASE I SEWER NEW USER CAPITAL
PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2005

REVENUES

New user tap - in fees	\$ 191,548
Interest income	<u>17,509</u>

Total revenues		\$ 209,057
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EXPENDITURES

Professional services	1,875
Miscellaneous	<u>30,000</u>

Total expenditures		<u>31,875</u>
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Excess of revenues over (under) expenditures		177,182
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FUND BALANCE, JULY 1, 2004		<u>1,497,507</u>
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FUND BALANCE, JUNE 30, 2005		<u><u>\$ 1,674,689</u></u>
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GENOA-OCEOLA PHASE II
SEWER NEW USER CAPITAL
PROJECT FUND

GENOA TOWNSHIP
GENOA - OCEOLA PHASE II SEWER NEW USER CAPITAL
PROJECT FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,731,529
Special assessments receivable	<u>307,150</u>

Total assets		<u>\$ 2,038,679</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 307,150
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FUND BALANCE		<u>1,731,529</u>
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Total liabilities and fund balance		<u>\$ 2,038,679</u>
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GENOA TOWNSHIP
GENOA - OCEOLA PHASE II SEWER NEW USER CAPITAL
PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2005

REVENUES

New user tap - in fees	\$ 149,672
Special assessments - principal	16,166
Special assessments - interest	5,389
Interest - investments	<u>21,131</u>

Total revenues		\$ 192,358
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EXPENDITURES

Expansion costs	258,991
Professional services	1,500
Miscellaneous	<u>940</u>

Total expenditures		<u>261,431</u>
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Excess of revenues over (under) expenditures		(69,073)
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FUND BALANCE, JULY 1, 2004		<u>1,800,602</u>
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FUND BALANCE, JUNE 30, 2005		<u><u>\$ 1,731,529</u></u>
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DORR ROAD
WATER AND SEWER
CONSTRUCTION FUND

GENOA TOWNSHIP
DORR ROAD WATER AND SEWER CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2005

REVENUES	
Interest income	\$ 4
OTHER FINANCING (USES)	
Transfers (out)	<u>(2,105)</u>
Excess of revenues over (under) expenditures and other financing (uses)	(2,101)
FUND BALANCE, JULY 1, 2004	<u>2,101</u>
FUND BALANCE, JUNE 30, 2005	<u>\$</u>

GRAND RIVER ROAD CONSTRUCTION
CAPITAL PROJECT FUND

GENOA TOWNSHIP
 GRAND RIVER ROAD CONSTRUCTION CAPITAL PROJECT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2005

REVENUES	
Interest	\$ 17
EXPENDITURES	<u>12,091</u>
Project costs	
Excess of revenues over (under) expenditures	(12,074)
FUND BALANCE, JULY 1, 2004	<u>12,074</u>
FUND BALANCE, JUNE 30, 2005	<u><u>\$</u></u>

LAKE EDGEWOOD -
WEST WATER
CONSTRUCTION CAPITAL PROJECT
FUND

GENOA TOWNSHIP
LAKE EDGEWOOD - WEST WATER CONSTRUCTION CAPITAL PROJECT FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and cash equivalents

\$ 8,560

FUND BALANCE

FUND BALANCE

\$ 8,560

GENOA TOWNSHIP
LAKE EDGEWOOD - WEST WATER CONSTRUCTION CAPITAL PROJECT FUND
STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2005

REVENUES		
Interest income		\$ 61
EXPENDITURES		
Professional services	1,400	
Project costs	<u>3,820</u>	
Total expenditures		<u>5,220</u>
Excess of revenues over (under) expenditures		(5,159)
FUND BALANCE, JULY 1, 2004		<u>13,719</u>
FUND BALANCE, JUNE 30, 2005		<u><u>\$ 8,560</u></u>

OAK POINTE
WATER AND SEWER SYSTEMS
FUND

GENOA TOWNSHIP
OAK POINTE - WATER AND SEWER SYSTEMS FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 5,991
Accounts receivable - operations	172,208
Due from other funds	18,544
Due from others	<u>243,198</u>

Total current assets \$ 439,941

RESTRICTED ASSETS

Cash and cash equivalents - future improvements	1,206,009
Cash and cash equivalents - debt service	1,101,700
Special assessments receivable	<u>1,787,405</u>

Total restricted assets 4,095,114

PROPERTY, PLANT AND EQUIPMENT

Land	358,855
Water system	3,243,716
Sewer system	8,736,122
Construction in progress	<u>355,352</u>
	12,694,045
Less accumulated depreciation	<u>3,248,354</u>

Net property, plant and equipment 9,445,691

Total assets \$ 13,980,746

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 48,910	
Due to other funds	<u>742,623</u>	
Total current liabilities		\$ 791,533

CURRENT LIABILITIES (from restricted assets)

Current portion - special assessment bonds - Homestead	45,000	
Current portion - special assessment bonds - Tri-Lakes	155,000	
Current portion - special assessment bonds refunding - Water improvement system	60,000	
Current portion - special assessment bonds - NE Tri-Lakes	<u>35,000</u>	
Total current liabilities (from restricted assets)		295,000

LONG-TERM LIABILITIES (from restricted assets)

Special assessment bonds - Homestead	45,000	
Special assessment bonds - Tri-Lakes	930,000	
Special assessment bonds (refunding) - Water improvement system	555,000	
Special assessment bonds - NE Tri-Lakes	<u>330,000</u>	
Total long-term liabilities (from restricted assets)		<u>1,860,000</u>

Total liabilities		2,946,533
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FUND EQUITY

Retained earnings - reserved	10,443,787	
Retained earnings - unreserved	<u>590,426</u>	
Total fund equity		<u>11,034,213</u>
Total liabilities and fund equity		<u>\$ 13,980,746</u>

GENOA TOWNSHIP
OAK POINTE - WATER AND SEWER SYSTEMS FUND
STATEMENT OF FUND EQUITY
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES JULY 1, 2004	\$ 10,678,540	\$ 505,794	\$ 11,184,334
Depreciation expense	(287,357)		(287,357)
Operating income excluding depreciation expense and sewer back-up settlement		81,823	81,823
Connection fees	49,144		49,144
Sewer Back-up settlement	(37,625)		(37,625)
Interest income - special assessments and reserves	107,211		107,211
Interest income - operations		1,590	1,590
Interest expense - bonds	(69,967)		(69,967)
Other revenue and (expense), net	<u>3,841</u>	<u>1,219</u>	<u>5,060</u>
ENDING BALANCES JUNE 30, 2005	<u>\$ 10,443,787</u>	<u>\$ 590,426</u>	<u>\$ 11,034,213</u>

GENOA TOWNSHIP
OAK POINTE - WATER AND SEWER SYSTEMS FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2005

OPERATING REVENUE

User charges	\$ 672,440
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OPERATING EXPENSES

Repairs, maintenance and supplies	110,322
Contracted labor	235,252
Out of scope - contract labor	3,715
Utilities and telephone	90,814
Administration	38,596
Professional fees	15,915
Insurance	11,581
Meter reading	18,993
Groundwater exceedance expenses	20,167
Depreciation	287,357
Sewer Back-up settlement	37,625
Sludge disposal	<u>45,262</u>

Total operating expenses	<u>915,599</u>
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Operating (loss)	<u>(243,159)</u>
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NON-OPERATING REVENUES AND (EXPENSES)

Connection fees	49,144
Interest income - special assessments	81,121
Interest income - reserved accounts	26,090
Interest income - general	1,590
Other revenue	5,087
Other expenses	(27)
Interest fees expense - bonds	<u>(69,967)</u>

Total non-operating revenues	<u>93,038</u>
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Net (loss)	<u>\$ (150,121)</u>
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GENOA TOWNSHIP
OAK POINTE – WATER AND SEWER SYSTEMS FUND
SCHEDULE OF REVENUES AND EXPENSES – OPERATIONS ONLY –
EXCLUDING TAP-IN FEES AND DEPRECIATION
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
REVENUES			
User charges	\$ 250,419	\$ 422,021	\$ 672,440
EXPENSES			
Repairs, maintenance and supplies	82,269	28,053	110,322
Contracted labor	61,370	173,882	235,252
Out of scope – contract labor	1,437	2,278	3,715
Utilities and telephone	28,248	62,566	90,814
Administration	15,832	22,764	38,596
Professional fees	7,957	7,958	15,915
Insurance	4,881	6,700	11,581
Groundwater exceedance expenses		20,167	20,167
Meter reading	9,496	9,497	18,993
Sludge disposal		<u>45,262</u>	<u>45,262</u>
Total expenses	<u>211,490</u>	<u>379,127</u>	<u>590,617</u>
Net revenues over (under) expenses	<u>\$ 38,929</u>	<u>\$ 42,894</u>	<u>\$ 81,823</u>

This schedule is prepared to present revenues and expenses related to current operations only (excludes tap-in fees and depreciation) and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

GENOA TOWNSHIP
OAK POINTE - WATER AND SEWER SYSTEMS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Receipts from customers	\$ 627,600
Payments to vendors	<u>(607,836)</u>

Net cash from operating activities	\$ 19,764
------------------------------------	-----------

CASH FLOW FROM (USED IN) CAPITAL AND
RELATED FINANCING ACTIVITIES

Connection fees	49,144
Repayment of principal on bonds	(290,000)
Special assessment collections	283,452
Interest received from special assessments and reserved accounts	107,211
Interest paid on bonds	<u>(69,967)</u>

Net cash from capital and related investing activities	79,840
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CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES

Interest received from operating fund	1,590
Other revenue (expenses) net	5,060
Proceeds from investments	58,140
Additions to systems	(426,334)
Investments in Brownsfield Authority	(179,319)
Loans to other funds	(14,085)
Loans from other funds	<u>722,099</u>

Net cash from investing activities	<u>167,151</u>
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Net increase in cash and cash equivalents	266,755
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CASH AND CASH EQUIVALENTS AT JULY 1, 2004	<u>2,046,945</u>
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CASH AND CASH EQUIVALENTS AT JUNE 30, 2005	<u><u>\$ 2,313,700</u></u>
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Reconciliation of Operating (Loss) to Net Cash
From (Used In) Operating Activities

Operating (loss)	\$ (243,159)
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Adjustments to reconcile operating (loss) to net cash
from (used in) operating activities

Depreciation expense	287,357
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Change in assets and liabilities	
Receivables, net	(44,840)
Payables, net	<u>20,406</u>

Net cash from operating activities	<u><u>\$ 19,764</u></u>
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GENOA TOWNSHIP
OAK POINTE - WATER AND SEWER SYSTEMS FUND
SCHEDULE OF OPERATIONS
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE AND RECEIPTS			
User charges	\$ 620,000	\$ 672,440	\$ 52,440
Interest	12,050	27,680	15,630
Tap in fees		49,144	49,144
Transfer from reserves	200,000		(200,000)
Assessment collections and interest from assessments	337,291	81,121	(256,170)
Other	<u>7,000</u>	<u>5,060</u>	<u>(1,940)</u>
Total revenue and receipts	<u>\$ 1,176,341</u>	<u>\$ 835,445</u>	<u>\$ (340,896)</u>
EXPENSES AND DISBURSEMENTS			
Repairs, maintenance and supplies	\$ 115,000	\$ 110,322	\$ 4,678
Contracted labor	244,000	235,252	8,748
Out of scope - contract labor	20,000	3,715	16,285
Groundwater exceedance expenses	60,000	20,167	39,833
Utilities and telephone	102,000	90,814	11,186
Administration	35,000	38,596	(3,596)
Professional fees	14,800	15,915	(1,115)
Insurance	19,000	11,581	7,419
Meter reading	19,000	18,993	7
Bond principal and interest	362,563	69,967	292,596
Capital purchases	150,000		150,000
Sewer Back-up settlement		37,625	(37,625)
Sludge disposal	30,000	45,262	(15,262)
Loan paybacks	18,774		18,774
Trans-out to O & M	200,000		200,000
Depreciation		287,357	(287,357)
Other expenses	<u>3,000</u>	<u></u>	<u>3,000</u>
Total expenses and disbursements	<u>\$ 1,393,137</u>	<u>\$ 985,566</u>	<u>\$ 407,571</u>

This schedule is prepared on a budgetary basis for the operating and debt service accounts of the enterprise fund and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

LAKE EDGEWOOD
WATER AND SEWER SYSTEMS
FUND

GENOA TOWNSHIP
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 134,489	
Accounts receivable - operations	94,927	
Due from other funds	<u>13,942</u>	
Total current assets		\$ 243,358

RESTRICTED ASSETS

Cash and cash equivalents - debt service	775,163	
Cash and cash equivalents - future improvements	935,821	
Special assessments receivable	3,565,129	
Contract receivable - City of Brighton	<u>206,400</u>	
Total restricted assets		5,482,513

PROPERTY, PLANT AND EQUIPMENT

Land	259,009	
Sewer system	7,462,949	
Construction in progress	<u>240,323</u>	
	7,962,281	
Less accumulated depreciation	<u>1,107,685</u>	
Net property, plant and equipment		<u>6,854,596</u>

Total assets		<u>\$ 12,580,467</u>
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LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 30,120
Due to other funds	<u>6,429</u>

Total current liabilities		\$ 36,549
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CURRENT LIABILITIES (from restricted assets)

Current portion - special assessment bonds - phase I	100,000
Current portion - special assessment bonds - phase II	15,000
Current portion - special assessment bonds - phase III	15,000
Current portion - contract payable (Liv.Cty.) - extension of water	30,000
Current portion - contract payable (Liv. Cty) - sewer west extension	<u>265,000</u>

Total current liabilities (from restricted assets)		425,000
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LONG-TERM LIABILITIES (from restricted assets)

Special assessment bonds - phase I	350,000
Special assessment bonds - phase II	135,000
Special assessment bonds - phase III	145,000
Contract payable (Liv.Cty.) - extension of water	280,000
Contract payable (Liv. Cty.) - sewer west extension	<u>3,710,000</u>

Total long-term liabilities (from restricted assets)		<u>4,620,000</u>
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Total liabilities		5,081,549
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FUND EQUITY

Retained earnings - reserved	7,384,390
Retained earnings - unreserved	<u>114,528</u>

Total fund equity		<u>7,498,918</u>
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Total liabilities and fund equity		<u>\$ 12,580,467</u>
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GENOA TOWNSHIP
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND
STATEMENT OF FUND EQUITY
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES JULY 1, 2004	\$ 6,989,605	\$ 108,534	\$ 7,098,139
Connections - developer non-cash contributions	222,200		222,200
Special assessment - chargeback	(32,370)		(32,370)
Depreciation expense	(150,483)		(150,483)
Connection fees - cash deposits	366,480		366,480
Operating income excluding depreciation expense		5,321	5,321
Interest income - general		909	909
Interest income - special assessments and reserves	282,427		282,427
Interest expense - bonds	(304,029)		(304,029)
Other revenue/expense	<u>10,560</u>	<u>(236)</u>	<u>10,324</u>
ENDING BALANCES JUNE 30, 2005	<u>\$ 7,384,390</u>	<u>\$ 114,528</u>	<u>\$ 7,498,918</u>

GENOA TOWNSHIP
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2005

OPERATING REVENUE

User charges	\$ 314,185
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OPERATING EXPENSES

Repairs, maintenance and supplies	8,932
Contracted labor	105,693
Out of scope-contract labor	1,702
Meter reading	3,218
Utilities and telephone	57,100
Administration	11,351
Professional fees	4,759
Insurance	5,018
Purchases of water - City of Brighton	69,624
Groundwater exceedance expenses	33,732
Depreciation expense	150,483
Sludge disposal	<u>7,735</u>

Total operating expenses	<u>459,347</u>
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Operating (loss)	<u>(145,162)</u>
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NON-OPERATING REVENUES AND (EXPENSES)

Connection fees - cash deposits	366,480
Connections - developer non-cash contributions	222,200
Interest income - special assessments and reserves	282,427
Interest income - general	909
Interest expense - bonds	(304,029)
Other income	10,324
Special assessment - chargeback	<u>(32,370)</u>

Total non-operating revenues	<u>545,941</u>
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Net income	<u>\$ 400,779</u>
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GENOA TOWNSHIP
LAKE EDGEWOOD – WATER AND SEWER SYSTEMS FUND
SCHEDULE OF REVENUES AND EXPENSES – OPERATIONS ONLY –
EXCLUDING TAP-IN FEES AND DEPRECIATION
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
REVENUES			
User charges	\$ 85,972	\$ 228,213	\$ 314,185
EXPENSES			
Repairs, maintenance and supplies	932	8,000	8,932
Contracted labor		105,693	105,693
Out of scope – contract labor		1,702	1,702
Utilities and telephone		57,100	57,100
Administration	4,317	7,034	11,351
Professional fees	759	4,000	4,759
Insurance		5,018	5,018
Purchases of water – City of Brighton	69,624		69,624
Groundwater exceedance expenses		33,732	33,732
Meter reading	1,609	1,609	3,218
Sludge disposal		7,735	7,735
Total expenses	<u>77,241</u>	<u>231,623</u>	<u>308,864</u>
Net revenues over (under) expenses	<u>\$ 8,731</u>	<u>\$ (3,410)</u>	<u>\$ 5,321</u>

This schedule is prepared to present revenues and expenses related to current operations only (excludes tap-in fees and depreciation) and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

GENOA TOWNSHIP
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Cash from users	\$ 340,744	
Cash paid to vendors	<u>(331,636)</u>	
Net cash from operating activities		\$ 9,108

CASH FLOWS FROM (USED IN) CAPITAL AND
RELATED FINANCING ACTIVITIES

Repayment of principal on bonds	(415,000)	
Special assessment collections - principal	335,483	
Collections City of Brighton - contract receivables	17,200	
Interest received on special assessments and reserves	282,427	
Interest paid on bonds	(304,029)	
Additions to system	(32,823)	
Loans to other funds	(11,825)	
Loans from other funds	3,382	
Other income	10,324	
Connection fees	<u>366,480</u>	
Net cash from capital and related financing activities		251,619

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income from investments	<u>909</u>	
Net increase in cash and cash equivalents		261,636

CASH AND CASH EQUIVALENTS AT JULY 1, 2004

1,583,837

CASH AND CASH EQUIVALENTS AT JUNE 30, 2005

\$ 1,845,473

SUPPLEMENTAL INFORMATION

Non-cash investment activities
During the year developers added an estimated \$222,200 of sewer collection system additions to Lake Edgewood. These additions to the system have been recorded as fixed assets and connection revenue.

Reconciliation of Operating (Loss) to Net Cash
From (Used In) Operating Activities

Operating (loss)	\$ (145,162)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities	
Depreciation expense	150,483
Change in assets and liabilities	
Receivables, net	26,559
Payables, net	9,598
One time payment for special assessment chargeback	<u>(32,370)</u>
Net cash from operating activities	<u>\$ 9,108</u>

GENOA TOWNSHIP
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND
SCHEDULE OF OPERATIONS
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE AND RECEIPTS			
User charges	\$ 330,000	\$ 314,185	\$ (15,815)
Interest	5,150	909	(4,241)
Connection fees		366,480	366,480
Assessment collections and interest from assessments	697,139	635,110	(62,029)
Other	1,000	10,324	9,324
Transfer in from reserves	<u>45,000</u>	<u>45,000</u>	
Total revenue and receipts	<u>\$ 1,078,289</u>	<u>\$ 1,372,008</u>	<u>\$ 293,719</u>
EXPENSES AND DISBURSEMENTS			
Repairs, maintenance and supplies	\$ 25,000	\$ 8,932	\$ 16,068
Contracted labor	110,000	105,693	4,307
Out of scope-contract labor	5,000	1,702	3,298
Groundwater exceedance expenses	50,000	33,732	16,268
Utilities and phone	60,000	57,100	2,900
Administration	11,000	11,351	(351)
Professional fees	11,825	4,759	7,066
Insurance	6,500	5,018	1,482
Debt principal and interest	811,417	719,029	92,388
Miscellaneous	3,000		3,000
Purchases of water - City of Brighton	75,000	69,624	5,376
Capital purchases		32,823	(32,823)
Loan payback to General Fund	3,047	3,047	
Transfer out of reserves	45,000	45,000	
Meter reading	5,000	3,218	1,782
Sludge disposal	<u>10,000</u>	<u>7,735</u>	<u>2,265</u>
Total expenses and disbursements	<u>\$ 1,231,789</u>	<u>\$ 1,108,763</u>	<u>\$ 123,026</u>

This schedule is prepared on a budgetary basis for the operating and debt service accounts of the enterprise fund and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

PINE CREEK
WATER AND SEWER SYSTEMS
FUND

GENOA TOWNSHIP
PINE CREEK - WATER AND SEWER SYSTEMS FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 175,069
Accounts receivable - operations	54,219
Due from other funds	<u>2,103</u>

Total current assets		\$ 231,391
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RESTRICTED ASSETS

Cash - debt service	176,239
Special assessments receivable	<u>227,250</u>

Total restricted assets		<u>403,489</u>
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Total assets		<u><u>\$ 634,880</u></u>
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LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 40,283
Due to other funds	6,663
Due to City of Brighton	<u>10,338</u>

Total current liabilities \$ 57,284

CURRENT LIABILITIES (from restricted assets)

Current portion - contract payable - City of Brighton 69,660

LONG-TERM LIABILITIES (from restricted assets)

Contract payable - City of Brighton 278,640

Total liabilities (from restricted assets) 405,584

FUND EQUITY

Retained earnings - reserved	119,288
Retained earnings - unreserved	<u>110,008</u>

Total fund equity 229,296

Total liabilities and fund equity \$ 634,880

GENOA TOWNSHIP
PINE CREEK - WATER AND SEWER SYSTEMS FUND
STATEMENT OF FUND EQUITY
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES JULY 1, 2004	\$ 116,465	\$ 105,114	\$ 221,579
Operating (loss)		(1,683)	(1,683)
Interest income - operations		1,362	1,362
Interest income - special assessments	2,823		2,823
Other revenue		<u>5,215</u>	<u>5,215</u>
ENDING BALANCES JUNE 30, 2005	<u>\$ 119,288</u>	<u>\$ 110,008</u>	<u>\$ 229,296</u>

GENOA TOWNSHIP
PINE CREEK - WATER AND SEWER SYSTEMS FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2005

OPERATING REVENUE

User charges	\$ 217,777
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OPERATING EXPENSES

Water - sewer usage	\$ 196,824
Administration	14,387
Professional fees	1,050
Repairs	536
Meter reading	<u>6,663</u>

Total operating expenses	<u>219,460</u>
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Operating (loss)	(1,683)
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NON-OPERATING REVENUES

Interest income - operations	1,362
Interest income - special assessments	2,823
Other revenue	<u>5,215</u>

Total non-operating revenues	<u>9,400</u>
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Net income	<u><u>\$ 7,717</u></u>
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GENOA TOWNSHIP
PINE CREEK - WATER AND SEWER SYSTEMS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Cash from users	\$ 221,801
Cash paid to vendors	<u>(243,824)</u>

Net cash (used in) operating activities	\$ (22,023)
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CASH FLOWS FROM (USED IN) CAPITAL AND
RELATED FINANCING ACTIVITIES

Special assessments collections	66,716
Interest received from special assessments	2,823
Payment on contract payable - City of Brighton	(69,660)
Net loans with other funds	4,207
Other revenue	<u>5,215</u>

Net cash from capital and related financing activities	9,301
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CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES

Interest received from operating fund	<u>1,362</u>
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Net (decrease) in cash and cash equivalents	(11,360)
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CASH AND CASH EQUIVALENTS AT JULY 1, 2004	<u>362,668</u>
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CASH AND CASH EQUIVALENTS AT JUNE 30, 2005	<u><u>\$ 351,308</u></u>
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Reconciliation of Operating (Loss) to Net Cash
From (Used In) Operating Activities

Operating (loss)	\$ (1,683)
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Adjustments to reconcile operating (loss) to net cash
from (used in) operating activities

Change in assets and liabilities	
Receivables, net	4,024
Payables, net	4,178
Due to city, net	<u>(28,542)</u>

Net cash (used in) operating activities	<u><u>\$ (22,023)</u></u>
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GENOA TOWNSHIP
PINE CREEK - WATER AND SEWER SYSTEMS FUND
SCHEDULE OF OPERATIONS
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE AND RECEIPTS			
User charges	\$ 180,000	\$ 217,777	\$ 37,777
Interest and miscellaneous	5,900	6,577	677
Assessment collections	<u>58,793</u>	<u>69,539</u>	<u>10,746</u>
Total revenue and receipts	<u>\$ 244,693</u>	<u>\$ 293,893</u>	<u>\$ 49,200</u>
EXPENSES AND DISBURSEMENTS			
Water - sewer usage	\$ 168,000	\$ 196,824	\$ (28,824)
Administration	12,000	14,387	(2,387)
Professional fees	1,200	1,050	150
Payment on contract payable - City of Brighton	69,660	69,660	
Repairs	7,500	7,199	301
Miscellaneous	<u>2,921</u>	<u></u>	<u>2,921</u>
Total expenses and disbursements	<u>\$ 261,281</u>	<u>\$ 289,120</u>	<u>\$ (27,839)</u>

This schedule is prepared on a budgetary basis for the operating and debt service accounts of the enterprise fund and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

DEPOSIT TRUST
FUND

GENOA TOWNSHIP
DEPOSIT TRUST FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and investments

\$ 242,051

LIABILITIES

LIABILITIES

Due to other funds

\$ 423

Deposits

241,628

Total liabilities

\$ 242,051

CURRENT TAX
FUND

GENOA TOWNSHIP
CURRENT TAX FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and investments

\$ 1,470

LIABILITIES

LIABILITIES

Due to general fund

\$ 1,470

TRUST AND AGENCY
FUND

GENOA TOWNSHIP
TRUST AND AGENCY FUND
BALANCE SHEET
JUNE 30, 2005

ASSETS

ASSETS

Cash and investments

\$ 12,065

LIABILITIES

LIABILITIES

Due to other funds

\$ 500

Due to others

11,565

Total liabilities

\$ 12,065



PFEFFER ■ HANNIFORD ■ PALKA
Certified Public Accountants

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September 15, 2005

Honorable Board of Trustees
Genoa Township
2911 Dorr Road
Brighton, Michigan 48116

Dear Honorable Board of Trustees:

During the audit process for the year ending June 30, 2005 certain items came to our attention which we would like to discuss with you. Those items are as follows:

1. While auditing the cash and investments of Genoa Township we noticed some accounts were opened by the Clerk during the year. In the future the Treasurer should be involved with opening all bank accounts.
2. The Township maintains a common bank account for several funds. All interest earned during the year was put into the General Fund for accounting purposes. Interest earned in the common account should be allocated by fund on a monthly basis.
3. The Township maintains many escrow accounts. We found several escrow accounts which were marked closed. However, there were remaining balances in these accounts which go back 2 to 3 years. These same accounts have had no activity for 2 to 3 years. We suggest the remaining balances be refunded as soon as possible.
4. We found various reimbursements for miscellaneous expenses and mileage. The backup documentation did not include any mileage logs or receipts. The Township should request receipts and mileage logs before reimbursing employees to maintain a proper accountable plan.

We also found some reimbursement request forms were approved by the person receiving the reimbursement. All reimbursement requests should be approved by a person separate from the payee.

5. We found an invoice from the Economic Development Council for \$6,000. The invoice stated "2004 Contribution". The Township is not allowed to make "contributions". We suggest the Township request the Economic Development Council to reword future invoices with wording that relates to some kind of "services".

6. Certain expenses of the same type were not consistently recorded to the same account, but several accounts. This added time to the auditing process because they needed to be consolidated into the same account. In the future, consistent recording of expenses should be done.
7. We noticed during the fiscal year ended June 30, 2005 the General Fund was forced to borrow from the Escrow Fund for a two month period. It appears the problem was lack of available cash in the General Fund (cash was locked-up in CD's). We suggest the Township evaluate its policy of investing in CD's and consider other investments with shorter maturity periods.

This letter does not affect our report dated September 15, 2005 on the financial statements of Genoa Township.

The comments are not intended to be a criticism of any department or any one individual.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and recommendations with various township personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the Board of Trustees and management of Genoa Township and is not intended to be and should not be used by anyone other than the specified parties.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants